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City and County of San Francisco
Meeting Minutes
Budget Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma and Matt Gonzalez

Clerk: Victor Young

Thursday, June 05, 2003 **9:30 AM** **Legislative Chambers, Second Floor**

Rescheduled Meeting

90.07
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/5/03

Members Present: Chris Daly, Sophie Maxwell, Fiona Ma, Matt Gonzalez.

Members Absent: Aaron Peskin.

Meeting Convened

DOCUMENTS DEPT.

JUL 2 3 2003

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The meeting convened at 9:45 a.m.

REGULAR AGENDA

030112 **[Mayor's Budget Plan]**

Supervisors Peskin, Daly

Hearing to review the Mayor's most recent budget plan, issued in January 2003. This hearing will address the Mayor's current and planned spending changes to address the City's current budget deficit.

1/21/03, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests that this item be heard by the Board of Supervisors' Budget Committee if it is established by President Gonzalez and convenes before February 15, 2003. If a Budget Committee meeting is not scheduled before February 15, 2003, sponsor requests that this hearing be scheduled at the Board's Finance Committee at its meeting on February 5, 2003.

2/5/03, TRANSFERRED to Budget Committee. New committee structure 2/17/03.

2/20/03, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Ben Rosenfield, Mayor's Budget Office; Female Speaker.

Continued to February 27, 2003.

3/6/03, CONTINUED. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office.

Continued to March 27, 2003.

3/27/03, CONTINUED. Heard in Committee. Speakers: Whit J. Manns, Tenderloin Self-Help Center and Central City Hospitality House; Linda Adams, Tenderloin Self-Help Center; Roger Jones, Tenderloin Self-Center; Francis Terry, Central City Hospitality House; Charles A. Maxwell, Central City Hospitality House; Michael Moore, Central City Hospitality House and Tenderloin Self-Help Center; Dartagnan Hutcherson, Tenderloin Self-Help Center; Yolanda Warren, Tenderloin Self-Help Center; Michael Robinson, Tenderloin Self-Help Center; Charles Carrill, Central City Hospitality House and Tenderloin Self-Help Center; Luther Rickert, Director of Employment Services, Central City Hospitality House (located in Tenderloin Self-Help Center); John Bardis; Edward Evans, Community Resources Action Project; Richard Robinson, Community Awareness Treatment Center; Edward Harrington, Controller; Ben Rosenfield, Mayor's Budget Office.

Continued to 4/3/03 meeting.

4/3/03, CONTINUED. Heard in Committee. Speakers: Jackie Jays; male speaker; male speaker; Howard Simms; Ben Rosenfield, Mayor's Budget Office; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

Continued to April 10, 2003.

4/10/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Steve Kawa, Mayor's Office.

5/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: male speakers; Francis Kent; Sister Bernie Calvin; Martha Olson; Katie Danielson; Cecelia Valentine; Norman Terra; Danita Lanson; Dr. Joanne Keenie; James Matter; James Beck; Ms. Goodrow; Emily Wilscott; Michelle Castro; Gene Bishop; Ted Trehan; Carol Cansano; Jennifer O'San; Terra Sanker; Mr. Vocher; male speaker; Dave Richmond; Dr. Verna Chapman; Helena Giles; Maryl Bytes; Elizabeth Ware; Jackilyn Freeman; John Bardis; Ms. McNeil; Espinola Jackson; Ed Harrington, Controller; Steve Kawa, Mayor's Office.

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spke Kahn, Local 21; Ted Lakey, Deputy City Attorney; Monique Zmuda, Deputy City Controller; Elene Boken; Dave Warner; Nancy Wuerful; Jane Salonow; Richard Zimmerman; David Chan; Richard Montgomery; Mr. Takenhemer; Pat Walker; Ms. Hopps; Lloyd Carlson; Melissa Marris; Evette Simpson; Ronald Solin; Rick Barry; Joan Puppet; Lin Rogers; male speaker; female speaker; female speaker; John Risso; Robert Emery; Steve Doy; Mirineth Straner; Arron Isreal; Bill Wong; Douglas Perrier; Mark Stout; Arnold Thompson; Ossie Asure; Eric Manthis; Andy Gross; Eric Sadic; Eda Sido; John Marks; Jim Chapal, Spur; Lee Mates; Jim Wonderman; Nathan Nayman; Jack Damon; Dan Kuanto; Piedres; Michael Gorenstein; Steve Roseburn; Vic Ay; Silvia Johnson; Tara Houseman; Pescal Surman; Lou Given; Rua Graffis; Jennifer Jackson; male speaker: Brian West; David Lewis; Wendy Stiff; Curt Recunin;

Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr. Moralez.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Daly, Maxwell, Ma
Absent: 2 - Peskin, Gonzalez

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030302 **[Budget Updates]**

Supervisors Daly, Peskin

Hearing to consider budget updates from the Mayor, Controller, Budget Analyst, Legislative Analyst, and City Departments.

2/25/03, RECEIVED AND ASSIGNED to Budget Committee.

3/6/03, CONTINUED. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office.

Continued to March 27, 2003.

3/27/03, CONTINUED. Heard in Committee. Speakers: Whit J. Manns, Tenderloin Self-Help Center and Central City Hospitality House; Linda Adams, Tenderloin Self-Help Center; Roger Jones, Tenderloin Self-Center; Francis Terry, Central City Hospitality House; Charles A. Maxwell, Central City Hospitality House; Michael Moore, Central City Hospitality House and Tenderloin Self-Help Center; Dartagnan Hutcherson, Tenderloin Self-Help Center; Yolanda Warren, Tenderloin Self-Help Center; Michael Robinson, Tenderloin Self-Help Center; Charles Carrill, Central City Hospitality House and Tenderloin Self-Help Center; Luther Rickert, Director of Employment Services, Central City Hospitality House (located in Tenderloin Self-Help Center); John Bardis; Edward Evans, Community Resources Action Project; Richard Robinson, Community Awareness Treatment Center; Edward Harrington, Controller; Ben Rosenfield, Mayor's Budget Office.

Continued to 4/3/03 meeting.

4/3/03, CONTINUED. Heard in Committee. Speakers: Jackie Jays; male speaker; male speaker; Howard Simms; Ben Rosenfield, Mayor's Budget Office; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

Continued to April 10, 2003.

4/10/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Steve Kawa, Mayor's Office.

4/17/03, REFERRED TO DEPARTMENT. Agendas reffered to affected departments. (Directions to departments to be delivered by Supervisors Daly's Office.)

4/21/03, CONTINUED TO CALL OF THE CHAIR. Heard in the Budget Committee. Speakers: Julian Low, Mayor's Office; Ed Harrington, Controller; Pamela Fischer; Spike Kahn, Local 21; David Pilpel; Gail Wechsler; Yvette Simpson; Kimia Mizany; Helen Lucas, Airport; Kevin Cone, Airport; Lima Avery, Business and Economic Development Department Frank Chiu, Director, Building Inspection; Ed Lee, Public Works; Tina Olson, Public Works.

At the hour of 5:16 p.m. a quorum of the Board of Supervisor was noted present. The meeting is now considered to be a SPECIAL BOARD MEETING.

Heard in Special Board Committee. Speakers: Gigi Harrington, Municipal Transportation Agency; Julia Dawson, Parking and Traffic; Ted Lakey, Deputy City Attorney; Joe Speaks; Municipal Transportation Agency; Joe Robinson, Director of Administrative Services, Port; Bill Berry; Public Utilities Commission; Denise Brady, Dept. of Telecommunications and Information Services; Naomi Little, Executive Director, Taxi Commission; Shawn Collins; Pinkey Kushner; Robert Chieflou; Ms. Dawson, Randall Museum.

4/24/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Erin McGrath, Mayor's Office; Greg Sass, Chief Finance Officer, Public Health; Ms. Hinke; Marlene Tran, Lindsay Berger, Youth Commission; Dr. Martin Louie; Hywel Sims; Andrew Bozeman; Kara Graziano; male speaker; James Beck; male speaker; Melanie Myers; Ms. Kepenoli, Local 250; Vandi Kim; Lessie Hopkins; Richard Goldman; Dr. Harry Densen; female speaker; Troy Newman; Wattie Sanders; Jaye Richardson; female speaker; Ena Aguirre; Jim Dilley; James Gregg; Gloria Frush-Frederico; Alex Georgokopolis; Esther Chavez; Mara Wallace; Alfredta Nesbitt; Barbara Farrell; Alvin Jones; Ann Togia; Karen Patterson Matthew; Sheri Fostin; Paul Kunsberg; Nat Jordan; Michael Lyon; Piers Mackenzie; Oscaryne Williams; Sam Dodge; Dee Epps Miller; Rebecca Dorman; James Kaner; Mr. Murphy; Anthony Imperial; Jospeh Pace; Walter Johnson; Frank William, Senior Ex-Offenders Program; Ms. Eversiti; Beth Mcgee; Jennifer Baity Carlin; Daniel Turbin; Larry Bevan; Linda Zaretsi; Dr. Mitchell Katz, Director, Public Health.

5/1/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Supervisor Jake McGoldrick; Ed Harrington, Controller; Ms. Simmons, Mayor's Office; Derrick Lam, Ageing and Adult Services; Jennifer Stanley, Senior Legislative Analyst; male speaker; Gabrielle Selder; Ken Teisen; Merrill Buice; Luis Calderon; Marie Jobling; Philip Carleta; Michael Denny; Richard Robinson; Bill Hollabaugh; Les Will; female speaker; Vera Haile; Ron Miguel; Margaret Baran; Susanne Tucker; Sofia Sepecoa; Justin Fichelson, Youth Commission; Roy Recio; Erika Horn; female speaker; Phil Arnold, Human Services.

5/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: male speakers; Francis Kent; Sister Bernie Calvin; Martha Olson; Katie Danielson; Cecelia Valentine; Norman Terra; Danita Lanson; Dr. Joanne Keenie; James Matter; James Beck; Ms. Goodrow; Emily Wilscott; Michelle Castro; Gene Bishop; Ted Trehan; Carol Cansano; Jennifer O'San; Terra Sanker; Mr. Vocher; male speaker; Dave Richmond; Dr. Verna Chapman; Helena Giles; Maryl Bytes; Elizabeth Ware; Jackilyn Freeman; John Bardis; Ms. McNeil; Espinola Jackson; Ed Harrington, Controller; Steve Kawa, Mayor's Office.

5/8/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Monique Zmuda, Controller's Office; Katie Petrucione, Mayor's Office; Elizabeth Goldstein, Executive Director, Recreation and Parks; Katie Cluster; Mary Mcallister,; Jim Krotzer; Victoria Lansdown;Harriet Ziskin; female speaker (translated from Russian); Denise Couther; Randy Wilkinson; Philip Carleton; Margaret Brodkin; Nancy Wuerfel; Sashe Mosalov; Linda Hunter; Susan Bogan; Peter Warfield; Laurel Burkhalter; Ms. Cameran; Christopher Dudenstaut; Nels Erikson; Brian Green; Snia Ng; Dr. Janice Cohen; Kathleen White; Debbie Montarano; Ron Dudum; Ms. Whitten; Eddy Wedertz; Lorry Cole; CJ Mourning; David Van Dormeden; Tracy Massingale; Bettery Traynor; female speaker; Megan Bierman; Mr. Mckinna, Recreation and Park.

5/12/03, CONTINUED. Heard in Committee. Speakers: Kieu-anh King, Mayor's Office; Brenda Lopez; Martha McNeil; Peg Hickcox; female speaker; Connie Hagen; Dan Armis; David Rile; Monic Louper; Al Rosen; Risio Vela; Ruth VurosKAren Kircher; Tracy Garrison; Judith Baker; Ryne Green; Sandra Fewer; Dave Richmond; James Beck; female speaker; Jeff Mori; Dan Mallallair; male speaker; Ben Island; Helena Giles; Chester Palisol; donna Kahill; female speaker; female speaker; female speaker; maile speaker; Libby Alber; Dr. Verna Chapman; Tracy Regal; Ray Balberan; Kyle Fura; Ms. Park; Natale Bruth; Jill Fox; NTanya Lee; Mary Arnts; Barbara Caravello; Dr. Carla Perez; Juno Duenas; Myrna Lina; Judith Flynn; Nicole Hurst; Debra Stein; Barbara Farrell; Andrea Spagat; Mitch Myers; Eugene Downer; Richard Dion; Andrew Style; Rosie Kennedy; Pamela Do; male speaker; Irene Chan; female speaker; Olga Banks; Vikky McArthur; female speaker; Karilyn Dansen; Andrew Johnson, female speaker; David; Helen Lee; femal speaker; Ms. Valentino; Marilyn Bias.

5/16/03, CONTINUED TO CALL OF THE CHAIR.

Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr. Moralez.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Daly, Maxwell, Ma
Absent: 2 - Peskin, Gonzalez

030813 [Government Funding, Fiscal Year 2003-04]

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for selected departments of the City and County of San Francisco as of May 1, 2003, for fiscal year ending June 30, 2004. (Controller)

5/6/03, RECEIVED AND ASSIGNED to Budget Committee.

5/14/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: John Martin, Director, SF Airport; female speaker, SF Airport; Monique Zmuda, Deputy Controller; Ted Lakey, Deputy City Attorney.

Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr. Moralez.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

030830 [Public Works Code Permit Fees and Assessment]

Mayor

Ordinance adding Article 2.1 of the Public Works Code to add sections 2.1.1, 2.1.2, 2.1.3, and 2.1.4 concerning permit fees and occupancy assessments, specifying procedures to establish such permit fees and assessments, amending section 2.4.45 to modify the procedures for fee review and adjustments, and making environmental findings. (Mayor)

5/6/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee Speakers: Tina Olson; Eileen Forbes, Budget Analyst's Office; John Bardis; Patricia Selbren.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Daly, Maxwell, Ma
Absent: 2 - Peskin, Gonzalez

030622 **[Approving Discovery Fees]**

Mayor, Supervisor Daly

Ordinance making environmental findings and approving a fee schedule for discovery costs charged by the San Francisco District Attorney's office. (Mayor)

4/15/03, RECEIVED AND ASSIGNED to Budget Committee.

4/18/03, REFERRED TO DEPARTMENT. Referred to Planning Department for environmental review.

Fee ad published in the SF Chronicle on 4/25/03 and 5/2/03.

5/5/03, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Teresa Serata, District Attorney's Office; Debra Newman, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

05/05/03 Amendment of the whole bearing a new title.

5/5/03, CONTINUED TO CALL OF THE CHAIR AS AMENDED.

5/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speaker: Teresa Serata, District Attorney's Office; female speaker; Ms. Taurus; John Kennedy, Deputy City Attorney; Kieu-Anh King, Mayor's Office.

Heard in Committee. Speakers: 5. Eileen Forbes, Budgt Analyst's Office;Teresa Serata, District Attorney's Office.

06/05/03 - Amended on Page 1, line 16 replace "For reproduction of documents - $9.00 for the first page, $.10 per page thereafter" with "For reproduction of documents - $5.00 for the first page, $.25 per page thereafter".
AMENDED.

RECOMMENDED AS AMENDED by the following vote:
Ayes: 3 - Daly, Maxwell, Ma
Absent: 2 - Peskin, Gonzalez

SPECIAL ORDER 10:15 AM

030921 **[Homeless Spending]**

Supervisor Daly

Hearing to consider spending in Fiscal Years 2002-2003 and 2003-2004 on direct services to the homeless in San Francisco.

5/20/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Barbara Blong; Gay Kaplan; Marc Trotz; George Smith; male speaker; Nel Bettle; John Malone; male speaker; Mr. Moralez;

CONTINUED TO CALL OF THE CHAIR by the following vote:
Ayes: 3 - Daly, Maxwell, Ma
Absent: 2 - Peskin, Gonzalez

SPECIAL ORDER 1:00 PM

030939 **[Budget Hearing and Review, FY 2003-04]**

Hearing to consider the Annual Budget for the Treasurer-Tax Collector for fiscal year 2003-2004. (Clerk of the Board)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

speaker, Local 21; Mr. Moralez; Susan Leal, Treasurer-Tax Collector; Ed Harrington, Controller;

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Daly, Maxwell, Ma
Absent: 2 - Peskin, Gonzalez

030791 **[Budget Hearing and Review, FY 2003-04]**

Hearing to consider the Annual Budget for the San Francisco Airport for fiscal year 2003-2004.

5/6/03, RECEIVED AND ASSIGNED to Budget Committee.

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: John Martin, Director, SF Airport; female speaker, SF Airport; Monique Zmuda, Deputy Controller; Ted Lakey, Deputy City Attorney.

Heard in Committee. Speakers: John Martin, Airport; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller; Olie Sether, Operation Supports, Airport; Harvey Rose, Budget Analyst; Ken Bruce, Budget Analyst's Office; Ms. Ito, Airport Commission; Ted Lakey, Deputy City Attorney; female speaker;

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

030827 **[Budget Hearing and Review, FY 2003-04]**

Hearing to consider the Annual Budget for the Public Utilities Commission for fiscal year 2003-2004.

5/6/03, RECEIVED AND ASSIGNED to Budget Committee.

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Patricia Martel, General Manager, Public Utilities Commission; Mr. Parlin, Public Utilities Commission; male speaker.

5/28/03, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst.

Continued to June 5, 2003.

Heard in Committee. Speakers: Patricia Martel, General Manager, Public Utilities Commission; Harvey Rose, Budget Analyst; Sam Jone, Budget Analyst's Office; Hans Loffeld, Public Utilities Commission; Ben Rosenfield, Mayor's Office.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

ADJOURNMENT

The meeting adjourned at 5:05 p.m.

[Budget Analyst Report]
Susan Hom
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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

May 29, 2003

DOCUMENTS DEPT.

JUN - 2 2003

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TO: Budget Committee

FROM: Budget Analyst

SUBJECT: June 5, 2003 Budget Committee Meeting

Item 4 – File 03-0830

Department: Department of Public Works (DPW)

Item: Ordinance adding Article 2.1 of the Public Works Code to add Sections 2.1.1, 2.1.2, 2.1.3, and 2.1.4 concerning permit and inspection fees and an occupancy assessment for underground vaults, specifying procedures to establish such fees and assessments, amending Section 2.4.45 to modify the procedures for fee review and adjustments, and making environmental findings.

Description: The proposed ordinance would authorize the Director of the Department of Public Works (DPW) and the Controller, without subsequent approval by the Board of Supervisors, to adjust existing permit fees, establish new inspection fees and a new occupancy assessment for underground vaults located on City-owned property used by private developers for utility storage and related uses. A list of all of the permit fees, proposed inspection fees, and occupancy assessment are listed in Attachment I, provided by Ms. Tina Olson of the DPW.

Currently, setting and adjusting such fees and establishing new fees and occupancy assessments[1] require specific approval by the Board of Supervisors (see Comment No. 2).

The proposed ordinance would establish (1) a method to determine the subject permit and inspection fees and occupancy assessments, (2) an initial fee setting procedure, and (3) a review and adjustment procedure. The fee setting method that the proposed ordinance would establish would require that all permit and inspection fees be based on the City's actual costs to process and administer such fees.[2] Under the proposed ordinance, the Director of DPW would be required to obtain the Board of Supervisors approval, by ordinance, for each proposed fee only if the fees are estimated to result in less than 100 percent cost recovery. The proposed ordinance would also require that the occupancy assessments be based on fair market rental value.

Attachment II, provided by Ms. Olson, outlines the initial permit and inspection fee setting and occupancy assessment procedures and the permit and inspection fees and occupancy assessment review and adjustment procedures.

The proposed ordinance would also provide for charges payable to the DPW by the permittee, in addition to the established permit fees, in those instances where administration or processing of the permits exceed the fee amount established by the Director of the DPW (see Comment No. 3). The additional amount would be at the discretion of the Director of DPW and would be on a time and materials basis. The Director of DPW would provide, upon request of the applicant or permittee, the basis for the additional fees to be charged.

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[1] Fees and occupancy assessments differ. Fees pertain to a regulation of an activity and provide a privilege or authorization to engage in that activity. Notably, State law prohibits fees from exceeding full cost recovery. Occupancy assessments are rental charges for City-owned property, such as street space, and therefore are most often set to reflect the fair market rental value of the property.

[2] The proposed ordinance states that the fees may also be based on the actual costs to other City agencies, boards and commissions in connection with the processing or administration of a particular permit category or use.

Comments:

1.As previously noted, Attachment I includes the recommended DPW permit and inspection fees and occupancy assessments, including the current revenues, and projected revenues. However, the Budget Analyst notes that the attached schedule of specific permit fees and occupancy assessments schedule are not the subject of the proposed ordinance. Ms. Olson advises that DPW's FY 2003-2004 budget was balanced based on approval of the attached schedule of permit and inspection fees and occupancy assessments. As shown in Attachment I, the existing permit fees generate approximately $529,928 annually. The proposed permit and new inspection fees and occupancy assessments would generate an estimated $2,599,279 annually, an increase of $2,069,351.

2. Mr. John Malamut of the City Attorney's Office states that Charter Section 2.109, requires that the Board of Supervisors approve new fees and increases to existing fees by ordinance. According to Mr. Malamut, the proposed ordinance is consistent with the Charter because the Board of Supervisors, while not approving the actual permit and inspection fees and the occupancy assessments would be approving, by ordinance, an objective fee and assessment setting standard and method that the Director of DPW must implement in order to establish and adjust the specific fees and assessments.

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Attachment I

Summary of DPW's Various Street and Sidewalk Proposed Permit Fee Increases (March 2003)

Revenue Sub-object	Fee Description	Current Fee	Proposed Fee	Current Revenue	Projected Revenue	Difference	General Fund	Special Engineering
60639	Minor Sidewalk Encroachment	$200	$763	$123,600	$471,586	$347,986	$291,172	$180,414
60639	Minor Sidewalk Encroachment -							
	Underground Vaults - Permit fee	200	763		18,312	18,312	18,312	
60639	Minor Sidewalk Encroachment -							
	Underground Vaults - Annual Assessment Fee	0	7,400		473,600	473,600	473,600	
60639	Street Improvement	$160 Processing fee + Inspection fee equal to 5 to 10% of construction cost	881	107,520	591,931	484,411	395,753	196,179
60639	Special Sidewalk	100	359	5,700	20,456	14,756	12,136	8,320
60639	Pipe Barrier	100	817	1,200	9,809	8,609	6,305	3,503
60639	Major Encroachment	$800 + inspection fee equal to 5 to 10% of construction cost	3,066	5,600	21,459	15,859	21,459	
60639	Over-wide Driveway	110	817	1,300	8,174	6,874	5,254	2,919
60639	Security Bollards	100	1,923	400	7,693	7,293	5,358	2,335
60639	Tank Abandonment	$100 processing fee + $250 per tank annual renewal.	227	700	1,592	892	1,592	
60641	Debris Box - Annual Fee	250	487	82,500	160,754	78,254	160,754	
60641	Debris Box - 7-day permit	20	78	42,460	166,509	124,049	166,509	
60639	Street/Sidewalk Plaques	200	1,138	200	1,138	938	846	292
20350	Flower Markets - Processing Fee	$100 per year + $30 per employee per quarter	102	4,800	1,224	(3,576)	1,224	
	Flower Markets - Sq Ft Inspection Fee		7		8,400	8,400	8,400	
20340	Sidewalk Displays - Processing Fee	$100 annual fee + $4.80 per sq ft	123	83,928	47,970	(35,958)	47,970	
	Sidewalk Displays - Sq Ft Inspection Fee		7		196,560	196,560	196,560	
20320	Sidewalk Tables & Chairs - Processing Fee	Monthly fee of $3 per seat with a minimum annual fee of $100 and a maximum annual fee of $360	144	70,020	56,016	(14,004)	56,016	
	Sidewalk Tables & Chairs - Sq Ft Inspection Fee		6		336,096	336,096	336,096	
	Total			**$529,928**	**$2,599,279**	**$2,069,351**	**$2,205,316**	**$393,962**

City and County of San Francisco

Willie Lewis Brown, Jr., Mayor
Edwin M. Lee, Director

Phone: (415) 554-6920
Fax: (415) 554-6944
TDD: (415) 554-6900
http://www.sfdpw.com

Department of Public Works
Finance and Budget Division
City Hall, Room 340
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4645
Tina Olson, Division Manager

Attachment II
Page 1 of 2

MEMORANDUM

Date: May 29, 2003

To: Harvey Rose, Budget Analyst

From: Tina Olson, DPW

Subject: Proposed Street and Sidewalk Use Permit Fee Legislation

As requested, he following street and sidewalk use permits are included in the proposed ordinance: flower markets, table and chairs, display merchandise, street improvements, special sidewalk, automobile runways, pipe barriers, minor sidewalk encroachments, underground vaults, debris boxes, encroachments, and the commemorative plaque permits.

The proposed ordinance would also authorize the Director of DPW and the Controller to establish new inspection fees for flower markets, sidewalk displays, and sidewalk table and chairs and a new occupancy assessment for underground vaults.

The proposed ordinance would establish an initial permit and inspection fee and occupancy assessment setting procedure that would require the following:

- The Director of DPW to propose a permit and inspection fee and occupancy assessment schedule based on 100 percent cost recovery for the permit fees and fair market value for the occupancy assessment for submission to the Controller and the Planning Department.
- The Controller is to submit written certification to the Director of DPW and the Clerk of the Board of Supervisors that the fees specified in the Directors proposal are consistent with 100 percent cost recovery and that the occupancy assessment is based on fair market value.

"IMPROVING THE QUALITY OF LIFE IN SAN FRANCISCO" We are dedicated individuals committed to teamwork, customer service and continuous improvement in partnership with the community.

- The Planning Department is to submit written certification to the Director of DPW and the Clerk of the Board of Supervisors that the fees and occupancy assessment are in compliance with the California Environmental Quality Act.
- The DPW is to hold a public hearing on the permit fees and occupancy assessment charges, conducted by an administrative hearing officer who would chronicle public comment and provide recommendations to the Director of DPW within 10 days of the hearing.
- The Director of DPW is to approve, deny or modify the hearing officer's recommendation and then to issue the tentative decision of the establishment of the permit fees and occupancy assessment to the Controller.
- The Controller is to make a determination regarding whether the permit fees are based on 100 percent cost recovery and the occupancy assessment is based on fair market value.
- The Controller is to certify permit fees, which the Controller determines are based on a full cost recovery assumption, and occupancy assessments are based on fair market value.[1]
- The Director of DPW is to issue a Departmental Order establishing that the Controller certified fees. The permit fees and occupancy assessment schedule would be effective as of the date the departmental order is issued.

The proposed ordinance would establish a permit fees and occupancy assessment review and adjustment procedure that would require the following:

- The Director of DPW is to provide the Controller with a report by April 15th of each year with the current fees and occupancy assessment costs.
- The Controller is to set permit fees to recover 100 percent of the costs to the City and the occupancy assessment at fair market value.
- The Controller is to adjust each year the permit fees and the underground vault occupancy assessment by the Consumer Price Index (CPI).
- The Controller is to submit, no later than May 15th of each year, a report to the Board of Supervisors reporting the new fees and occupancy assessment fees and certifying that (a) the fees produce sufficient revenue to support the costs of providing the services for which the fee is charged and (b) the fees do not produce revenue that exceeds the costs of providing the services for which each permit fee is charged.
- The Director of DPW is to codify the fee and assessment schedule by departmental order, effective as of the date the department order is issued.

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[1] The fees that the Controller determines would recover more than 100 percent of costs would not be set. Further, any fees that the Director recommends that are estimated to recover less than 100 percent of costs would require Board of Supervisors approval.

Item 5 - File 03-0622

Note: This item was amended and continued by the Budget Committee at its meeting of May 12, 2003.

Department: District Attorney

Item: Ordinance approving increased fees for discovery costs charged by the San Francisco District Attorney's Office, and making environmental findings.

Description: According to Mr. Daley Dunham of the District Attorney's Office, parties to a legal proceeding, whether criminal or civil, are entitled to obtain copies of relevant legal evidence that is held by another party to that same proceeding. Mr. Dunham advises that the process of obtaining these documents from another party, as well as the documents themselves, is generally referred to as "discovery". The proposed ordinance would increase four of the Department's six fees that the District Attorney's Office charges private attorneys for production of these various discovery documents by 50 to 800 percent. In addition, the proposed ordinance would reduce one fee by 60 percent, for photocopying each page of printed documents, after the first page is photocopied. The fee for supplying a video tape, audio tape or CD for duplication of evidence, if not supplied by the requesting party, would not be increased and would remain at $5.

The proposed ordinance would also make a finding that the Planning Department has determined that the subject fee increase is in compliance with the California Environmental Quality Act (CEQA).

Comments: 1. Although the Department could not provide a specific date for the last time these fees were increased, Mr. Dunham advises that these discovery fees have not been increased for at least seven years. All of the revenues generated from these discovery fees accrue to the City's General Fund.

2. As shown in the Attachment, the Department currently receives approximately $24,620 in annual revenues from these discovery fees. According to Mr. Dunham, the proposed fee increases were originally based on a survey conducted by Mr. Dunham of surrounding counties, with

adjustments proposed that match those counties that currently charge higher discovery fees. Ms. Teresa Serata of the District Attorney's Office reports that Alameda County does not fully recover their discovery costs through fees and that Alameda County is currently reviewing the level of their discovery fees. Based on an initial proposal, the Department initially reported that an estimated additional $18,060 would be generated from proposed discovery fee increases, resulting in an estimated 41 percent cost recovery.

3. On May 5, 2003, the Budget Committee requested that the Department provide full cost recovery of these fees, with adjustments to the photocopying fees, which are now reflected in the Attachment. In addition, the Budget Committee requested that the District Attorney's Office reexamine the costs to provide these discovery services, in order to provide more efficient and potentially less costly services.

Ms. Serata advises that the Department initially reported a total estimated annual cost of $91,045, including overhead expenses. However, Ms. Serata advises that after more closely examining the discovery procedures, the cost to provide this service was approximately $62,498 annually, as shown in the Attachment, which is a reduction of $28,547 or 31 percent from the previously reported costs.

Ms. Serata therefore advised the Budget Committee on May 12, 2003 that if the proposed amended fee legislation was approved, the Department would generate an estimated $62,930 of total annual revenues, or $38,310 more than the $24,620 currently being generated from these fees, which is a 156 percent increase in revenues. As shown in the Attachment, assuming an annual cost of $62,498, if the proposed fee increases were approved, approximately 100 percent of the costs would be recovered instead of 41 percent, as had been initially projected.

4. However, based on subsequent discussions with Ms. Marla Taylor of the Controller's Office, the District Attorney's costs including overhead, are actually $72,951, or $10,453 more than the amount reported in the Attachment by the District Attorney's Office. Therefore,

the Budget Analyst notes that based on projected annual revenues of $62,930, the Department would only recover approximately 86.3 percent of the costs, and not 100 percent cost recovery, if the proposed fee increases were approved.

5. Mr. Dunham advises that the total FY 2003-2004 budget reduction for the District Attorney's Office required by the Mayor's Budget Office is $2,122,246, which is approximately 9.2 percent of the Department's $23,192,319 FY 2002-2003 General Fund budget. Mr. Dunham advises that the proposed discovery fee increases will generate an estimated $38,310 of additional revenues which would offset approximately 1.8 percent of the District Attorney's Office required budget reduction of $2,122,246.

Ms. Serata also advises that the FY 2003-2004 budget includes $63,000 of revenues from these discovery fees, which assumes that the proposed ordinance to increase fees is approved by the Board of Supervisors.

5. Ms. Serata advises that, in response to inquiries by the Budget Committee, she also analyzed two other possible scenarios, including (1) increasing the photocopy costs for the first page to $5.00, with subsequent pages remaining at $0.25 per page and (2) increasing the photocopy costs for the first page to $2.50, with subsequent pages increasing to $0.50 per page. According to Ms. Serata, each of these two scenarios would result in an estimated $30,000 of revenues annually. Ms. Serata notes that each of these two scenarios would therefore result in $10,000 less than the $40,000 annual revenues projected from the currently proposed photocopy fees, as shown in the Attachment.

6. As noted above, on May 5, 2003, the Budget Committee requested that the Department provide full cost recovery of these discovery fees. However, the Budget Analyst notes that overall, the proposed fee increases are projected to recover approximately 86.3 percent of the costs for the District Attorney to provide these services, and not 100 percent cost recovery.

Recommendation: Given that the proposed ordinance would not recover 100 percent of the costs to provide these services, as directed by the Budget Committee, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Maxwell
Supervisor Ma
President Gonzalez
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

Department: District Attorney

Fee Title	Current Fee Level	Proposed Fee Level	Percent Increase	Current Revenue	Proposed Revenue with Increased Fee	Increased Revenue	Percentage Increase	Cost of Providing Service	Percentage of Cost Recovery with Proposed Fee Increase
Discovery - video evidence duplication	$10.00	$37.50	275%	$3,000	$11,250	$8,250	275%	$11,282	
Discovery - audio evidence duplication	$5.00	$9.00	80%	$5,000	$9,000	$4,000	80%	$8,856	
Discovery - electronic data duplication	$10.00	$15.00	50%	$120	$180	$60	50%	$172	
Discovery - supply video tape, audio tape, or CD for duplication of evidence (if not supplied by requesting party)	$5.00	$5.00	0%	$2,500	$2,500	$0	0%	$2,511	
Discovery - photocopy of printed documents, first page	$1.00	$9.00	800%	$4,000	$36,000	$32,000	800%	$35,426	
Discovery - photocopy of printed documents, each page after first	$0.25	$0.10	-60%	$10,000	$4,000	-$6,000	-60%	$4,251	
Totals	[redacted]	[redacted]	[redacted]	$24,620	$62,930	$38,310	155.61%	$62,498	100.69%

* See attached

Name of preparer: Daley Dunham

Attachment

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

June 29, 2003

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: Recommendations of the Budget Analyst for Amendment of the Mayor's Fiscal Year 2003-2004 Budget.

The Budget Analyst is providing the attached budget recommendations for departments listed below which are the subject of the Budget Committee budget hearing.

Budget Committee Budget Hearing-June 5, 2003,

Page

Special Order 1:00 p.m.

AIR Airport....1
PUC Public Utilities Commission....12
CWP PUC- Clean Water Program....25
HHP PUC- Hetch Hetchy....30
WTR PUC- Water Department....36

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Maxwell
Supervisor Ma
President Gonzalez
Clerk of the Board
Controller
Ben Rosenfield

DEPARTMENT: AIR - AIRPORT COMMISSION

FINANCIAL DATA:

The Airport Commission's proposed $580,567,385 budget for FY 2003-04 is $747,840 or 0.13 percent less than the original FY 2002-03 budget of $581,315,225. The net decrease from the revised FY 2002-2003 budget is identical.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
ADMINISTRATION, BUSINESS	$407,732,883	$407,732,883	$439,268,687	$31,535,804
FACILITIES MAINT., CONSTRUCT.	122,744,488	122,744,488	111,257,160	(11,487,328)
SAFETY & SECURITY	50,837,854	50,837,854	30,041,538	(20,796,316)
Total Expenditures	**$581,315,225**	**$581,315,225**	**$580,567,385**	**($747,840)**

Major changes in the Airport's budget by object of expenditure are as follows:

Expenditure	FY 2002-03 Budget	FY 2003-04 Budget	Increase/ (Decrease)
Permanent Salaries – Misc.	$79,893,081	$75,776,362	($4,116,719)
Premium Pay	2,035,279	2,994,261	958,982
Holiday Pay	439,625	981,348	541,723
Mandatory Fringe Benefits	21,403,725	16,783,102	(4,620,623)
Travel	561,785	296,050	(265,735)
Professional & Specialized Services	13,184,545	41,471,292	28,286,747
Maintenance Services- Equipment	5,127,639	5,707,416	579,777
Rents and Leases – Equipment	5,993,563	227,496	(5,766,067)
Rents and Leases – Buildings, Structures	7,293,676	6,326,911	(966,765)
Utilities	2,985,003	1,868,454	(1,116,549)
Other Current Expenses	19,712,905	3,102,166	(16,610,739)
Entertainment and Promotion	574,921	62,780	(512,141)
Buildings, Structures, & Improvements	0	30,015,000	30,015,000
Equipment Purchase	0	747,797	747,797
Debt Service	338,000,000	307,043,238	(30,956,762)
Services of Other Departments	46,458,038	49,419,864	2,961,826
Total	$543,663,785	$542,823,537	($840,248)

Department: **AIR AIRPORT COMMISSION (continued)**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-04 is 1,197.58 FTEs, which is 108.05 FTEs less than the 1,305.63 FTEs in the original FY 2002-03 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
ADMINISTRATION, BUSINESS	277.57	277.57	249.50	(28.07)
FACILITIES MAINT., CONSTRUCT.	815.49	815.49	772.79	(42.7)
SAFETY & SECURITY	212.57	212.57	175.29	(37.28)
Totals	**1,305.63**	**1,305.63**	**1,197.58**	**(108.05)**

The FTE position count of (108.05) is due to the following transactions:

Transaction	FTE Count
New Positions	7.00
Deleted Positions	(302.06)
Decrease in Attrition Savings	187.91
Annualization	0
Temporary Positions	(0.90)
Reassignments	0.00
Operating position to Non-operating position	0
Total	(108.05)

The 108.05 FTE net decrease in the FTE count for FY 2003-04 is due to 7.0 FTE new positions, a 302.06 decrease in deleted positions, a 187.91 FTE decrease in Attrition Savings, and a 0.90 FTE increase for temporary salaries.

A listing of the Airport's seven new position requests is shown on the following page. The Budget Analyst is recommending approval of the 7.0 FTE new position requests.

Department: **AIR AIRPORT COMMISSION (continued)**

Name	Classification	No. of FTE Positions	Annual Salary at Top Step	Annualized No. of Positions	Annual Total Salaries
Administrator I	1021	3.00	$54,994	3.00	$164,982
Engineer- Journey	1042	1.00	91,333	1.00	91,333
Engineer- Senior	1043	1.00	90,704	1.00	90,704
Project Director	1070	1.00	108,861	1.00	108,861
Information Services Manager	1071	1.00	128,144	1.00	128,144
Total:		**7.0**		**7.0**	**$584,024**

DEPARTMENT REVENUES

Airport revenues have decreased from $400,815,512 in FY 2002-03 by $47,586,512 or 11.87 percent, to $353,229,000 in FY 2003-04.

Major changes in Department Revenue are as follows:

Revenue	FY 2002-03	FY 2003-04	Change
Interest Earned- Pooled Cash	$24,407,000	$15,500,000	($8,907,000)
Airport Parking	53,500,000	46,000,000	(7,500,000)
Concession Rev. - Duty Free	12,668,000	18,980,000	6,312,000
Concession Rev. - Gifts/ Merchandise	8,999,000	5,068,000	(3,931,000)
Concession Gifts/ Merchandise	6,175,000	2,239,000	(3,936,000)
Concession Rev. - Car Rental	27,877,000	22,758,000	(5,119,000)
Airline Landing Fees	124,280,468	110,094,000	(14,186,468)
Passenger Facility Fees	61,000,000	50,000,000	(11,000,000)
Rental- Airline International Terminal	81,909,044	0	(81,909,044)
Rental Airline- ITB	0	54,000,000	54,000,000
Rental Airline- Customs Facility	0	28,590,000	28,590,000
Total	**$400,815,512**	**$353,229,000**	**($47,586,512)**

Department: **AIR AIRPORT COMMISSION (continued)**

DESCRIPTION

1. The Airport reports that the International Terminal is 100 percent compliant with Federal security screening requirements.

2. The Airport reports that the AirTrain system became fully operational in March of 2003 and is now providing transit service over a "terminal loop" serving the terminal complex and over a "north corridor loop" serving the rental car facility and other locations situated north of the terminal complex.

COMMENTS

1. Ms. Helen Lucas, the Airport's Associate Deputy Director of Business and Finance, has informed the Budget Analyst that the Airport's FY 2003-04 budget contains no funding for SFO Enterprises.

2. In previous years, the Airport's budget contained separately identified Annual Project Budgets under the Airport's Divisions of Business & Administration, Safety & Security, and Facilities Maintenance, Construction. Examples of these Annual Project Budgets are: Exhibitions, Museums & Cultural Exchange; Governmental Affairs; Aviation Museum; Medical Clinic; Noise Monitoring Program; Ground Transportation; Bureau of Planning/Environmental Affairs; and Bureau of Design & Construction. Except for Legal Services in the Business & Administration Division, Airport- San Francisco Police Department Augmentation in the Safety & Security Division, and Airport Engineering in the Facilities Maintenance, Construction Division, the FY 2003-04 columns for the Annual Project Budgets (called "Programmatic Budgets") have been zeroed out and the resources folded into the Airport Divisions noted above. Ms. Lucas has provided the Budget Analyst with the statement cited below concerning the Airport's action:

> Programmatic budgets were deleted from the proposed budget to facilitate a reorganization that matched funding with the appropriate service category. Since the Airport is in the process of downsizing, limiting the number of program budgets was necessary to improve efficiency and eliminate overlapping or redundant functions. With the end of the Master Plan, the Airport reevaluated staffing requirements and services captured in programmatic budgets that multiplied over the past ten years.

Department: AIR AIRPORT COMMISSION (continued)

The Airport budget (funding) was reconfigured to reflect continuing core services and functions. With a reduction in revenue and an uncertain economic future, consolidating budget categories will allow the Airport to further trim costs or reduce services in mid-year without the constraints imposed by many obsolete programmatic budgets. Therefore, the budget was reorganized by service linkage into three primary programs, Business/Administration, Safety/Security and Facilities, Maintenance and Construction.

3. The Airport's FY 2003-04 Budget includes Passenger Facility Charge (PFC) revenues of $62 million, compared to $61 million in FY 2002-03. PFC revenues are revenues obtained from a $4.50 charge on each enplaned passenger. Budgeted expenditures against the $62 million are $56 million for Debt Reduction and $6 million for the Bond Retirement Fund.

4. Ms. Lucas reports that Bay Area Rapid Transit (BART) is scheduled to commence operations to and from the Airport on June 22, 2003.

5. Ms. Lucas reports that the Airport's FY 2003-04 budget includes the Annual Service Payment to the General Fund, a revenue transfer of $18,500,000 to the General Fund for the City's 15 percent share of concession revenues, compared to $21,253,000 transferred to the General Fund in FY 2002-03.

6. The Budget Analyst is recommending approval of the 7.0 requested new FTEs which, in conjunction with 10 existing permanent staff in the Airport's Information Technology & Telecommunications (ITT) Section, would provide maintenance, repair, and telecommunications administration of common use phones in the International Terminal 24 hours a day, seven days a week. The Airport intends to fill the seven new positions with staff currently paid out of Temporary Salaries, since such temporary positions can only continue for a six-month period. The responsibilities being fulfilled by these employees were previously provided on a contractual basis which was costing the Airport in excess of $2 million compared to having this work performed on an in-house basis. The Budget Analyst concurs with the Airport's estimated savings in excess of $2.0 million and has verified the corresponding reduction in contractual services.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

rtment: AIR - Airport Commission

Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
inistration, Business - BGF							
001	Permanent Salaries - Misc.				$19,130,062	$19,130,062	*
	* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
001	Curator I	3541A	2.0	1.0	98,646	49,323	49,323
001	Curator III	3544A	3.0	2.0	190,756	127,171	63,585
001	Curator IV	3546A	6.0	4.0	483,424	322,283	161,141
001	Curator V	3547A	2.0	1.0	171,248	85,624	85,624
001	Library Assistant	3610A	2.0	1.0	95,369	47,685	47,684
001	Administrative Analyst	1822A	2.0	1.0	135,146	67,573	67,573
001	Planner III Environmental Review	5298A	2.0	1.0	162,759	81,380	81,379
001	Senior Management Assistant	1844A	4.0	3.0	285,220	213,915	71,305
001	Industrial Hygienist	6138A	2.0	1.0	182,056	91,028	91,028
	To delete 10 FTE vacant positions not currently required for Airport operations.						
001	Attrition Savings	9993M	(29.23)	(18.35)	(1,931,292)	(1,212,650)	(718,642)
	Decrease Attrition Savings for deletion of the 10 vacant positions above.						
:t PACA47 Runway 2020							
001	Manager VI	0933O	2.0	0.0	$238,084	$0	$238,084
001	Manager VII	0941O	3.0	0.0	384,062	0	384,062

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

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epartment: AIR - Airport Commission

age			Position/ Equipment	Number		Amount		
No.	Object		Number	From	To	From	To	Savings
115	001	Manager VIII	0943O	1.0	0.0	$155,295	$0	$155,295
115	001	Deputy Director V	0955O	1.0	0.0	155,295	0	155,295
115	001	Special Assistant VII	1366O	1.0	0.0	57,812	0	57,812
115	001	Senior Clerk Typist	1426O	1.0	0.0	47,685	0	47,685
115	001	Secretary II	1446O	2.0	0.0	105,131	0	105,131
115	001	Executive Secretary I	1450O	3.0	0.0	171,790	0	171,790
115	001	Executive Secretary II	1452O	1.0	0.0	61,883	0	61,883
115	001	Administrative Analyst	1822O	1.0	0.0	67,573	0	67,573
115	001	Senior Administrative	1823O	2.0	0.0	153,468	0	153,468
115	001	Principal Administrative	1824O	1.0	0.0	89,680	0	89,680
115	001	Senior Management	1844O	1.0	0.0	71,305	0	71,305
115	001	Senior Engineer	5211O	1.0	0.0	115,571	0	115,571
115	001	Engineer	5241O	2.0	0.0	199,717	0	199,717
116	001	Planner Environmental	5298O	1.0	0.0	80,571	0	80,571
116	001	Civil Engineering Associate	5364O	1.0	0.0	60,709	0	60,709
116	001	Engineering Associate II	5366O	1.0	0.0	70,287	0	70,287
116	001	Project Manager III	5506O	1.0	0.0	127,211	0	127,211
116	001	Airport Economic Planner	9255O	1.0	0.0	95,082	0	95,082
116	001	Non-Operating Position	9997M	(28.0)	0.0	(2,508,211)	0	(2,508,211)
		To eliminate 28 project-funded positions (28.0 FTEs) in the Runway Reconfiguration Project budget funded from previous off-budget capital appropriations. The Runway Reconfiguration Project is being eliminated.						
61	021	Travel				285,550	226,410	59,140
		Reduce the Travel budget to the amount that reflects the Department's updated Travel requirements. The Aiport's Travel budget also includes $3,000 in the Facilities/ Maintenance Division and $59,500 in the Safety & Security Division.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-04

artment: AIR - Airport Commission

ge .	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
61	022	Training				$294,941	$265,795	$29,146
		Reduce the Training budget to the amount that reflects the Department's updated Training requirements.						
61	27	Professional and Specialized Services				23,579,507	23,464,507	115,000
		Reduce the Professional and Specialized Services budget to the amount that reflects the Department's updated requirements.						

ety & Security - BGG

ge .	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
72	001	Permanent Salaries - Misc.				$11,994,479	$11,994,479	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
17	001	Telephone Operator	1706A	9.0	5.0	373,961	207,756	166.205
18	001	Airport Communications Dispatcher	9202A	35.0	25.0	2,042,586	1,458,990	583.596
.8	001	Transit Planner III	5289A	2.0	1.0	162,769	81.385	81,384
.8	001	Airport Noise Abatement Specialist	5264A	5.0	2.0	316,332	126,533	189,799
7	001	Senior Management Assistant	1844A	3.0	2.0	213,915	142,610	71,305

To delete 19 vacant positions not currently required for Airport operations.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-04

epartment: AIR - Airport Commission

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
119	001	Attrition Savings	9993M	(20.00)	(2.10)	($1,220,368)	($128,079)	($1,092,289)
		Decrease Attrition Savings for deletion of the 19 vacant positions above.						
72	022	Training				252,000	202,000	50,000
		To reduce Training in accordance with the Department's updated requirements.						
72	027	Professional and Specialized Services				10,763,255	10,578,255	185,000
		To reduce Professional and Specialized Services in accordance with the Department's updated requirements.						

acilities Maintenance, Construction - BGH

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
79	001	Permanent Salaries - Misc.				44,278,619	44,278,619	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
128	001	Survey Associate	5314A	2.0	1.0	149,789	74,895	74,894
127	001	Gardener	3417A	12.0	11.0	600,736	550,675	50,061
129	001	Chief Stationary Engineer	7205A	4.0	3.0	308,711	231,533	77,178
130	001	Senior Stationary Engineer	7335A	14.0	13.0	970,868	901,520	69,348

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

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artment: AIR - Airport Commission

			Position/ Equipment	Number		Amount		
e	Object		Number	From	To	From	To	Savings
1	001	Asphalt Worker	7502A	4.0	3.0	$197,294	$147,971	$49,323
9	001	Maintenance Estimator and Scheduler	7219A	2.0	1.0	175,940	87,970	87,970
1	001	Stationary Engineer, Sewage Plant	7372A	17.0	16.0	1,150,514	1,082,837	67,677
7	001	Senior Engineer	5211A	5.0	2.0	583,655	233,462	350,193
6	001	Inventory Clerk	1920A	2.0	1.0	83,520	41,760	41,760
1	001	Airport Electrician Supervisor	9241A	3.0	2.0	255,764	170,509	85,255
7	001	Pest Control Specialist	3424A	2.0	1.0	121,740	60,870	60,870
9	001	Senior Building Inspector	6333A	2.0	1.0	190,756	95,378	95,378
1	001	Sign Worker	7457A	7.0	6.0	363,532	311,599	51,933
7	001	Principal Engineer	5212A	2.0	1.0	258,084	129,042	129,042
1	001	Apprentice Stationary Engr, Sewage Plant	7375A	2.0	1.0	128,516	64,258	64,258
1	001	General Laborer	7514A	25.0	24.0	1,209,357	1,160,983	48,374
		To eliminate 18 FTE vacant positions not currently required for Airport operations.						
'9	001	Attrition Savings	9993M	(143.88)	(116.62)	(7,407,451)	(6,003,937)	(1,403,514)
		Decrease Attrition Savings for deletion of the 18 vacant positions above.						
'9	012	Holiday Pay				738,455	526,107	212,348
		To reduce Holiday Pay in accordance with the Department's updated requirements.						
'9	013	Mandatory Fringe Benefits				9,016,658	9,000,732	15,926
		Corresponds to reduction in salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-04

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epartment: AIR - Airport Commission

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
79	022	Training				$64,100	$5,000	$59,100
		To reduce Training in accordance with the Department's updated requirements.						
79	027	Professional and Specialized Services				5,718,530	5,518,530	200,000
		To reduce Professional and Specialized Services in accordance with the Department's updated requirements.						
79	044	Hospital, Clinics, and Lab Supplies				684,930	484,930	200,000
		To reduce Hospital, Clinics, and Lab Supplies in accordance with the Department's updated requirements.						

Project CACO43: Runway Reconfiguration

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
92	067	Blds., Structures & Improvements				13,225,000	0	13,225,000
		To eliminate funding for the Runway Reconfiguration Project based on the Aiport Director's decision to cease work on the Runway Reconfiguration Project.						
		Total Recommended Reductions						**$ 14,350,660**

DEPARTMENT: PUC – PUBLIC UTILITIES COMMISSION

FINANCIAL DATA:

The Public Utilities Commission proposed $111,331,692 budget for FY 2003-04 is $18,915,486 or 20.5 percent more than the original FY 2002-03 budget of $92,416,206. The change from the revised FY 2002-03 budget is identical.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CUSTOMER SERVICES	$10,098,031	$10,098,031	$10,151,464	$53,433
ENVIRONMENTAL REGULATION AND MANAGEMENT	6,049,528	6,049,528	6,672,463	622,935
FINANCE	5,626,739	5,626,739	6,526,978	900,239
GENERAL MANAGEMENT	10,588,569	10,588,569	13,421,702	2,833,133
PERSONNEL	4,020,547	4,020,547	4,582,983	562,436
SYSTEM PLANNING/ REGULATORY CONTROL	2,741,360	2,741,360	2,969,552	228,192
INFORMATION TECHNOLOGY	10,520,450	10,520,450	13,959,989	3,439,539
REAL ESTATE	1,256,077	1,256,077	1,398,170	142,093
ENGINEERING	27,040,570	27,040,570	34,812,145	7,771,575
WATER QUALITY	14,474,335	14,474,335	16,836,246	2,361,911
Total Expenditures	**$92,416,206**	**$92,416,206**	**$111,331,692**	**$18,915,486**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-04 is 507.78 FTEs, which is 37.42 FTEs more than the 470.36 FTEs in the original FY 2002-03 budget. The FTE allocations by program are as follows:

Department: **PUC PUBLIC UTILITIES COMMISSION (continued)**

Full Time Equivalents	**Fiscal Year 2002-2003 Original**	**Fiscal Year 2002-2003 Revised**	**Mayor's Budget Fiscal Year 2003-2004**	**Proposed Increase (Decrease) from 2002-2003 Original Budget**
Environmental Regulation & Management	45.05	45.05	49.15	4.1
Water Quality	113.35	113.35	121.23	7.88
Customer Services	100.27	100.27	100.93	0.66
General Management	23.16	23.16	34.09	10.93
Information Technology	64.56	64.56	73.66	9.1
Finance	45.19	45.19	49.38	4.19
Engineering	13.00	13.00	5.20	(7.8)
System Planning/Regulatory Control	17.28	17.28	20.88	3.6
Personnel	40.63	40.63	45.39	4.76
Real Estate	7.87	7.87	7.87	0
Totals	**470.36**	**470.36**	**507.78**	**37.42**

The FTE position count of 37.42 is due following transactions:

Transaction	**FTE Count**
New Positions	34.25
Deleted Positions	0.00
Decrease in Attrition Savings	2.63
Annualization	0.25
Temporary Positions	4.29
Reassignments	2.00
Non-operating position to Operating position	(6.00)
Total	37.42

Department: **PUC PUBLIC UTILITIES COMMISSION (continued)**

The PUC's FY 2003-2004 budget contains a total of 42 new operating positions (34.25 FTE). The PUC's proposed new positions, including the Budget Analyst's recommendation, are as follows:

Title	Classifi -cation	No. of FTE Positions	Annual Salary at Top Step	Annualized No. of Positions	Annual Total Salaries	Recommendations of Annualized Positions
Manager V	0932	1.50	$111,036	2	$222,072	Approve 2
Deputy Director IV	0954	1.00	146,222	1	146,222	Approve 1
Engineer- Senior	1043	2.25	101,184	3	303,553	Approve 3
Business Analyst- Senior	1053	0.75	85,307	1	85,307	Approve 1
Business Analyst- Principal	1054	4.0	98,747.8	5	493,739	Approve 5
Program Analyst- Assistant	1061	0.75	58,871	1	58,871	Approve 1
Training Coordinator	1237	0.75	78,731	1	78,731	Approve 1
Personnel Analyst	1241	1.0	68,094	1	78,731	Disapprove 1
Senior Personnel Analyst	1244	1.00	79,674	1	79,674	Approve 1
Senior Clerk	1406	0.75	43,544	1	43,544	Approve 1
Secretary II	1446	1.00	52,767	1	52,767	Disapprove 1
Executive Secretary II	1452	1.00	62,120	1	62,120	Disapprove 1
Principal Water Services Clerk	1480	0.75	59,448	1	59,448	Approve 1
Senior Accountant	1652	0.75	61,832	1	61,832	Approve 1
Principal Accountant	1654	1.50	73,360	2	146,720	Approve 2
Supervising Fiscal Officer	1675	1.50	101,473	2	202,946	Approve 2
Chief Auditor	1688	0.75	95,185	1	95,185	Approve 1
Principal Administrative Analyst	1824	2.25	90,023	3	270,069	Disapprove 2/ Approve 1
Administrative Services Manager	1827	1.00	78,521	1	78,521	Disapprove 1
Biologist III	2484	0.75	88,268	1	88,268	Approve 1
Chemist III	2487	1.50	88,268	2	176,536	Approve 2
Coordinator of Citizen Involvement	5408	4.0	86,984	4	347,936	Approve 2/ Disapprove 2
Utility Specialist	5602	1.50	96,547	2	386,188	Disapprove 1/ Approve 1
Industrial Hygienist	6138	0.75	90.469	1	90.469	Approve 1
Water Service Inspector	7316	0.75	77,552	1	77,552	Approve 1
Electronic Maintenance Technician	7318	0.75	82,216	1	82,216	Approve 1
Totals:		**34.25**		42	**$3,869,217**	**Approve 33** **Disapprove 9**

Department: **PUC PUBLIC UTILITIES COMMISSION (continued)**

According to the PUC General Manager, the 42 new positions would be used to enhance service levels to Public Utilities Commission customers and to begin initiatives necessary and to begin implementation of the $3.6 billion, voter approved, Capital Improvement Program for the Water Enterprise. The Budget includes 7 positions for Water Quality, 9 positions for Information Technology, 5 positions for Human Resources, 10 positions for the General Manager, 2 positions for Planning, 7 positions for Finance, 1 position for Customer Services, and 1 position for Environmental Regulation and Management. As shown in the above table, the Budget Analyst is recommending approval of 33 positions (26.0 FTEs) and disapproval of 9 positions (8.25 FTEs).

In addition to these operating positions, the Public Utilities Commission is adding 79 new off budget positions to perform the following functions: (a) 54 positions to support the Capital Improvement Program; (b) 19 positions to support continuing projects and the Repair and Replacement Program in Hetch Hetchy and the Water Department; and (c) 6 positions to support the Clean Water Master Plan and the Repair and Replacement Program.

DEPARTMENT REVENUES

The Public Utilities Commission is funded solely through transfers from its operating departments, including the Water, Clean Water, and Hetch Hetchy Departments

DESCRIPTION

The Public Utilities Commission (PUC) is comprised of 11 bureaus that provide administrative and technical support to three operating departments: the Water Department, Hetch Hetchy, and the Clean Water Program. The Department of Light, Heat & Power merged with Hetch Hetchy in 2002.

For FY 2003-04, the PUC is requesting a total of $3.1 million as the first increment of a total estimated $26.9 million to $36.3 million five-year effort to implement its Information Technology Strategic Plan, which has been reviewed and approved by the City's Committee on Information Technology (COIT). The purpose of the Information Technology Strategic Plan is to provide the PUC with a comprehensive five-year Information Technology business plan that aligns Information Technology investments with near and long term business needs. If implemented succesfully and properly managed, the Information Technology Strategic Plan will enable PUC to implement and operate mission critical Information Technology systems and infrastructure required for suporting near and long term business operations. The specific initiative, in the FY 2003-04 budget, which includes six new position requests, is as follows:

Department: **PUC PUBLIC UTILITIES COMMISSION (continued)**

1. Implement the Capital Program Support Systems $980,189; 3 new positions
2. Geographic Information Systems (GIS) for SFPUC: $657,223; 1 new position
3. Enhance Financial Management Systems: $402,223; 1 new position
4. Upgrade Human Resource and Administrative Systems: $479,670; 1 new position
5. IT Infrastructure Enhancement: $674,500

In addition to the six positions requested for the implementing the Information Technology Strategic Plan, the Budget Analyst is recommending approval of three positions required to maintain the Supervisory Control and Data Acquisitions System (SCADA). SCADA is a computer-based system that monitors the flow, storage, and quality of drinking water.

The Budget Analyst is recommending that all of the approximately $3.1 million for the PUC's Information Technology Strategic Plan be approved.

COMMENTS

The Mayor's budget provides an increase of $18,915,486. Our recommended reductions, which total $2,181,246 would still allow an increase of $16,734,240 or 18.11 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-04

Department: PUC - Public Utilities Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		Environmental Regulation and Management (BAY)						
506	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$2,259,942	$2,230,264	*
546	001	Attrition Savings To increase attrition savings from 4.03% to 7.89%.	9993M	(1.30)	(1.62)	(91,283)	(120,961)	$29,678
506	005	Temporary Salaries Reduce to 2002-2003 budget level adjusted by a cost of living factor for 2003-04.				22,000	10,000	12,000
506	013	Mandatory Fringe Corresponds to reduction in salaries.				412,769	406,230	6,539
506	027	Professional & Specialized Services Reduce to 2002-2003 budget level adjusted by a cost of living factor for 2003-04.				399,000	359,000	40,000

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

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partment: PUC - Public Utilities Commission

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
stomer Services (BCE)								
13	021	Travel Reduce to actual 2002-2003 expenditure level adjusted by a cost of living factor for 2003-04.				$21,873	$17,000	$4,873
13	022	Training Reduce to actual 2002-2003 expenditure level adjusted by a cost of living factor for 2003-04.				104,489	80,000	24,489
13	027	Professional and Specialized Services To reduce the Professional and Specilalized Services budgets to the minimum request for effective operations.				210,100	150,000	60,100
eral Management (BCR)								
30	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				3,032,736	2,728,993	*

Department: PUC - Public Utilities Commission

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
554	001	Executive Secretary II	1452N	3.00	2.00	$187,512	$125,008	$62,504
554	001	Principal Administrative Analyst	1824N	1.75	1.00	158,515	90,580	67,935
554	001	Coordinator of Citizen Involvement	5408N	5.00	3.00	433,260	259,956	173,304

To eliminate four new postions (3.75 FTEs) not sufficiently justified, including one Executive Secretary II at an annual salary of $62,504, one (.75 FTE) Principal Administratiave Analyst at an annual salary of $90,023 and two Coordinator of Citizen Involvement positions at an annual salary of $86,652 each. We are recommending approval of two of the four new Coordinator of Citizen Involvement positions. The Department disagrees with our recommendation to delete two of the requested four new Coordinator of Citizen Involvement positions. The Department already has one existing Coordinator of Citizen Involvement position. Our recommendation would result in the approval of three Coordinator of Citizen Involvement positions, including one existing and two new positions. In total, we are recommending approval of 33 new positions (26.0 FTEs) for the PUC, including two new Coordinator of Citizen Involvement positions as shown in the Table above. The PUC Bureaus also have 112 vacant positions which we have not recommended for deletion.

Presently, in addition to the new requested four new Coordinator of Citizen Involvement positions included in the FY 2003-2004 Budget, the General Manager's Office has the following positions which assist in providing public information:

	Classifica- tion	No. of FTE Positions	Annual Salary at Top Step	Annual Total Salaries	Comments
Manager VII	0941	1.00	$128,511	$128,511	Manages the Communications Division
Public Relations Assistant	1310	1.00	47,291	47,291	
Public Relations Officer	1314	6.00	71,238	427,428	PUC reports that three of the positions are occupied by employees on long-term care
Coordinator of Citizen Involvement	5408	1.00	86,984	86,985	Existing 5408 position
Secretary II	1446	1.00	52,767	52,767	Secretarial Support
Total		10.00		$742,982	

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

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artment: PUC - Public Utilities Commission

ge .	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
0	013	Mandatory Fringe Benefits				$596,854	$539,143	$57,711
		Corresponds to reduction in salaries.						
1	022	Training				132,600	32,600	100,000
		Reduce to 2002-03 budget level adjusted by a cost of living factor for 2003-04.						
1	027	Professional & Specialized Services				1,077,761	927,761	150,000
		The PUC has not adequately justified the need for $150,000 for a Legislative Advocate to be based in Sacramento, which would be a new initiative for the Department. We are, however, recommending approval of $300,000 for an outside consultant to conduct an Asset Management Study to develop a plan to manage the PUC's water, sewer, and power assets.						
rmation Technology (BCS)								
3	021	Travel				5,935	3,500	2,435
		Reduce to 2002-2003 budget level adjusted by a cost of living factor for 2003-04.						
3	022	Training				165,400	125,000	40,400
		To reduce the Training budget in accordance with the Bureau's updated needs.						
3	027	Professional & Specialized Services				1,771,000	1,621,000	150,000
		To reduce the Professional Services budget in accordance with the Bureau's updated needs.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-04

Department: PUC - Public Utilities Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
533	035	Other Current Expenses To reduce the Other Current Expenses budget in accordance with the Bureau's updated needs.				$821,220	$746,220	$75,00
533	060	Equipment Purchase * The recommended reduction in equipment is the total of the following specific recommendations.				992,797	842,797	*
650	060	Equipment Not Detailed To reduce the Equipment Purchase budget to the minimum required for effective				0	(150,000)	150,000
Finance (BCT)								
535	001	Permanent Salaries - * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				3,957,704	3,738,713	*
637	001	Principal Administrative Analyst To eliminate one new position (0.75 FTEs) not sufficiently justified. We are, however, recommending approval of 33 new positions (26.0 FTEs) for the PUC.	1824N	11.50	10.75	1,041,670	973,735	67,935
637	001	Attrition Savings To increase Attrition Savings from 1.38 percent to 5.0 percent.	9993M	(0.62)	(2.51)	(49,541)	(200,597)	151,056

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

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artment: PUC - Public Utilities Commission

ge o.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
5	013	Mandatory Fringe Benefits Corresponds to reduction in salaries.				$942,249	$900,641	$41,608
5	022	Training Reduce to actual 2002-2003 expenditure level adjusted by a cost of living factor for 2003-2004.				97,507	75,000	22,507
5	027	Professional & Specialized Services Reduce to actual 2002-2003 expenditure level adjusted by a cost of living factor for 2003-2004.				625,000	575,000	50,000
5	049	Other Materials & Reduce to actual 2002-2003 expenditure level adjusted by a cost of living factor for 2003-2004.				66,954	55,000	11,954

tem Planning / Regulatory Control (BCV)

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				1,872,401	1,789,543	*
4	001	Utility Specialist To eliminate one new position (0.75 FTEs) not sufficiently justified. We are, however, recommending approval of 33 new positions (26.0 FTE) for the PUC.	5602N	3.75	3.00	364,290	281,432	82,858

Department: PUC - Public Utilities Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
542	013	Mandatory Fringe Benefits				$295,989	$280,246	$15,743
		Corresponds to reduction in salaries.						
542	021	Travel				34,100	30,000	4,100
		Reduce to actual 2002-03 expenditure level adjusted by a cost of living factor for 2003-04.						
542	022	Training				15,475	10,000	5,475
		Reduce to actual 2002-03 expenditure level adjusted by a cost of living factor for 2003-04.						

Human Resources (BCW)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
543	001	Permanent Salaries - Misc.				3,056,971	2,789,288	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
645	001	Secretary II	1446N	1.00	0.00	52,565	0	52,565
645	001	Personnel Analyst	1241N	1.00	0.00	68,094	0	68,094
645	001	Administrative Services Manager	1827N	1.00	0.00	78,521	0	78,521
		To eliminate three new positions not sufficiently justified. We are, however, recommending approval of 33 new positions (26.0 FTEs) for the PUC.						
645	001	Attrition Savings	9993M	(0.36)	(1.36)	(24,125)	(92,628)	68,503
		To increase Attrition Savings from 0.78 percent to 5.0 percent						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

artment: PUC - Public Utilities Commission

ge .	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
3	013	Mandatory Fringe Corresponds to reduction in salaries.				$706,376	$655,516	$50,860
3	021	Travel Reduce to 2002-2003 budget level adjusted by a cost of living factor for				11,250	9,000	2,250
3	022	Training Reduce to 2002-2003 budget level adjusted by a cost of living factor for 2003-04.				185,000	145,000	40,000
3	035	Other Current Expenses Reduce to 2002-2003 budget level adjusted by a cost of living factor for 2003-04.				95,249	85,000	10,249
l Estate (BCZ)								
4	027	Professional & Specialized Services To eliminate a proposed oustide consultant study of PUC space needs which is not essential.				407,161	257,161	150,000
		Total Recommended Reductions						**$ 2,181,246**

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - CWP CLEAN WATER PROGRAM

FINANCIAL DATA:

The Department of Clean Water's proposed $147,879,656 budget for FY 2003-04 is $11,645,021 or 7.3 percent less than the original FY 2002-03 budget of $159,524,677. The net decrease from the revised FY 2002-2003 budget of $159,525,677 is $11,646,021 or 7.3 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) from 2002-2003 Original Budget
Water Pollution Control	$159.524.677	$159.525.677	$147.879.656	($11.645.021)
Total Expenditures	$159,524,677	$159,525,677	$147,879,656	($11,645,021)

Major changes in the Clean Water Program's budget are as follows:

Expenditures	FY 2002-03 Budget	FY 2003-2004 Budget	Increase/ (Decrease)
Permanent Salaries – Misc.	$22,870,084	$25,115,500	$2,245,416
Premium Pay	341,690	511,872	170,182
Mandatory Fringe Benefits	5,799,486	5,064,690	(734,796)
Overhead	1,730,293	1,183,352	(546,941)
Membership Fees	60,994	548,994	488,000
Professional & Specialized Services	449,408	1,044,093	594,685
Maintenance-Building & Structures	3,333,292	4,006,232	672,940
Utilities	601,668	712,443	110,775
Taxes, Licenses, & Permits	120,084	239,980	119,896
Judgments & Claims	60,000	160,000	100,000
Water Sewage Treatment Supplies	4,605,105	4,855,604	250,499
Other Materials & Supplies	313,070	981,873	668,803
Debt Service	62,179,684	40,365,266	(21,814,418)
Services of Other Departments	37,396,766	42,961,431	5,564,665
Interdepartmental Recovery	-4975082	(5,201,850)	(226,768)
Bldgs, Structures & Improvements	13.800.000	14.493.600	693.600
Total	**$148,686,542**	**$137,043,080**	**($11,643,462)**

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - CWP CLEAN WATER PROGRAM

The CWP's proposed $147,879,656 budget for FY 2003-04 includes $14,493,600 in capital projects, as show below:

Title	CWP Revenues	Totals
Repair and Replacement (R&R)	$14,493,600	$14,493,600
Total	**$14,493,600**	**$14,493,600**

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-04 is 381.86 FTEs, which is 12.80 FTEs more than the 369.06 FTEs in the original FY 2002-03 budget. The FTE allocations by program are as follows:

Full Time Equivalents	**Fiscal Year 2002-2003 Original**	**Fiscal Year 2002-2003 Revised**	**Mayor's Budget Fiscal Year 2003-2004**	**Proposed Increase (Decrease) from 2002-2003 Original Budget**
Water Pollution Control	369.06	369.06	381.86	12.80
Total Expenditures	369.06	369.06	381.86	12.80

The net increase in the FTE position count of 12.80 is due following transactions:

Transaction	FTE Count
New Positions	0.00
Deleted Positions	0.00
Decrease in Attrition Savings	14.82
Annualization	0.25
Temporary Positions	(2.27)
Reassignments	0.00
Operating position to Non-operating position	(0.00)
Total	12.80

The 12.80 increase in the FTE count for FY 2003-04 is due to 14.82 FTE decrease in Attrition Savings, 2.27 FTE decrease for temporary salaries, and annualization of 0.25 FTE for one position which was new in FY 2002-03, budgeted at 0.75 FTE. The Clean Water Program is not requesting any new positions in the FY 2003-04 operating budget.

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - CWP CLEAN WATER PROGRAM

DEPARTMENT REVENUES

Department revenues have decreased by $10,392,006 or 5.97 percent, from $174,092,862 in FY 2002-03 to $163,700,856 in FY 2003-04. The revenue decrease is due to a projected decrease of $3,646,225 in sewer service revenues and a projected decrease of $7,568,724 in the water pollution control fund balance. Sewer service revenues are decreasing due to reduced water consumption in the City. The Department is receiving $196,338 in FY 2003-04 from the General Fund for the operation and maintenance of the Earl P. Mills facility located in the Bayview near the Southeast Waste Treatment Facility.

DESCRIPTION

The Clean Water Program, (CWP), is charged with the collection, treatment, and discharge of sanitary and storm water flows generated within the City and County of San Francisco, to protect public health and to insure environmental safety of the waters surrounding the City and County of San Francisco. Consequently, CWP operates and maintains the sewage and water pollution control system serving the City and County of San Francisco.

COMMENT

Proposition A. approved by the City's electorate in the November 2002 election, removed the restriction on increases in the sewer service charge but not the restriction on increases in water fees.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

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rtment: PUC Public Utilities Commission - CWP CLEAN WATER PROGRAM

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e	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Water Pollution Control								
	001	Permanent Salaries- Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$25,115,500	$24,623,777	*
	001	Attrition Savings To increase Attrition Savings to a rate of 6.5 percent. The Department disagrees with this recommendation stating they will fill all of their vacant positions at a faster rate than we are projecting. The Department's current year attrition rate is 8.7 percent, or the equivalent of 33.3 positions. Our recommendation would reduce the attrition rate by 7.37 positions to 25.93 positions. The Department's current vacancy report shows 38 vacant positions. Therefore, our recommendations are very conservative, allowing the Department to fill 12.07 more positions over the Fiscal Year.	9993M	(18.48)	(25.93)	(1,220,090)	(1,711,813)	$491,723
	005	Temporary Salaries To reduce Temporary Salaries pay rate to FY 2002-03 level plus a cost of living factor of five percent.				330,535	272,728	57,807
	009	Premium Pay To reduce Premium Pay to Department's updated requirements.				511,872	411,872	100,000
	013	Benefits Corresponds to reduction in Permanent Salaries.				5,063,201	4,957,938	105,263
	024	Membership Fees * The Department budgted and estimated $60,994 for Membership Fees in FY 2002-03. The additional $524,000 is being budgeted for membership in the Bay Area Clean Water Agency (BACWA), which, according to the PUC, was previously budgeted in various operating and project budgets. BACWA acts as a repository for data collected on the aquatic life and water quality of water in the Bay Area system and represents the interests of the CWP and other member agencies concerning water quality legal issues. Based on the significant cost of the Membership Fees and the fact that it was not specifically identified in the FY 2002-03 budget, the Budget Analyst considers the approval of this item as a policy matter for the Board of Supervisors.				584,994	584,994	*

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

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epartment: PUC Public Utilities Commission - CWP CLEAN WATER PROGRAM

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
18	029	Maintenance Svcs - Equipment Reduce to actual 2002-03 expenditure level adjusted by a cost of living factor for 2003-04.				$1,065,940	$990,940	$75,00
30	060	Equipment Purchase * The recommended reduction in equipment is the total of the following specific recommendations.				871,997	821,997	*
18	060	Equipment Purchase To reduce to Department's updated requirements.	9999Z			0	(50,000)	50,000
		Total Recommended Reductions						**$879,79**

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - HHP HETCH HETCHY

FINANCIAL DATA:

Hetch Hetchy's proposed $139,426,513 budget for FY 2003-04 is $4,413,313 or 3.07 percent less than the original FY 2002-03 budget of $143,839,826. The net decrease from the revised FY 2002-2003 budget is $4,413,313 or 3.07 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) from 2002-2003 Original Budget
Water Supply and Power Operations	$99,961,698	$99,961,698	$105,232,092	$5,270,394
Utility Services	3,051,128	3,051,128	2,257,421	(793,707)
Hetch Hetchy Capital	40,827,000	40,827,000	31,937,000	(8,890,000)
Total Expenditures	**$143,839,826**	**$143,839,826**	**$139,426,513**	**($4,413,313)**

Major expenditure changes from the original FY 2002-03 budget to the proposed FY 2003-04 budget are as follows:

Expenditure	FY 2002-03 Budget	FY 2003-04 Budget	Increase (Decrease)
Permanent Salaries- Misc.	$14,688,588	$15,593,338	$904,750
Mandatory Fringe Benefits	4,038,715	3,550,540	(488,175)
Purchase of Power for Resale	132,532,735	131,041,078	(1,491,657)
Equipment Purchase	584,012	1,133,081	549,069
Services of Other Departments	11,773,179	12,839,096	1,065,917
Interdepartmental Recovery	(76,832,755)	(72,867,848)	3,964,907
Intrafund Transfers Out	40,827,000	31,937,000	(8,890,000)
Total	**$127,611,474**	**$123,226,285**	**($4,385,189)**

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - HHP HETCH HETCHY

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-04 is 217.43 FTEs, which is 6.80 FTEs more than the 210.63 FTEs in the original FY 2002-03 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) from 2002-2003 Original Budget
Water Supply and Power Operations	204.75	204.75	211.53	6.78
Utility Services- L,H & P	5.88	5.88	5.90	0.02
Totals	**210.63**	**210.63**	**217.43**	**6.80**

The FTE position count of 6.80 is due following transactions:

Transaction	FTE Count
New Positions	8.25
Deleted Positions	0.00
Decrease in Attrition Savings	0.39
Annualization	2.25
Temporary Positions	(2.09)
Reassignments	(2.00)
Operating position to Non-operating position	(0.00)
Total	6.80

The 6.80 FTE increase for FY 2003-2004 is due to 8.25 FTE new positions, 0.39 decrease in Attrition Savings. 2.09 FTE decrease in temporary salaries, and annualization of 2.25 FTEs for nine positions which were new in FY 2002-2003 budget. The Budget Analyst is recommending disapproval of 0.75 FTE 5601 Utility Analyst due to insufficient justification, but is recommending approval of the remaining 7.50 FTEs because the requested positions are craft or skilled positions to specifically handle maintenance backlogs.

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - HHP HETCH HETCHY

New positions requested in FY 2003-04 are shown in the table below.

Name	Classification	No. of FTE Positions	Annual Salary at Top Step	Annualized No. of Positions	Annual Total Salaries
Senior Parts Storekeeper	1931	.75	$56,068	1	$56,068
Utility Analyst	5601	.75	67,151	1	67,151
Maintenance Planner	7262	.75	81,351	1	81,351
Electronic Maintenance Technician	7318	.75	82,216	1	82.216
General Utility Mechanic	7325	1.50	64,478	2	128,956
Carpenter	7344	1.50	66,679	2	133,358
Electrician	7345	.75	70,740	1	70,740
General Laborer	7514	1.50	48,077	2	96.154
Total:		**8.25**		11	**$715,994**

DEPARTMENT REVENUES

Department revenues have decreased by $3,862,063 or 3.13 percent.

Major changes in Department Revenue are as follows:

Revenue	FY 2002-03	FY 2003-04	Change
Sale of Electricity	$105,966,474	$109,763,251	$3,796,777
Beginning Fund Balance	14,786,332	7,919,787	(6,866,545)
Interest Earned	2,500,000	1,707,705	(792,295)
Total	$123,252,806	$119,390,743	($3,862,063)

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - HHP HETCH HETCHY

DESCRIPTION

1. Hetch Hetchy Operations will be supporting several major projects in FY 2003-04, including the Priest Reservoir By-Pass Project and the O'Shaughnessy Dam Discharge Modifications Project. In performing the Priest Priest Reservoir By-Pass Project, the water system will be shutdown between the Priest Resovoir and the Moccasin generator. While the water system is shutdown, various other projects, including the rewinding of Holm powerhouse unit number two, Canyon power tunnel valve replacement, Red Mountain bar by-pass improvements, and air valve replacements along the San Joaquin pipelines are scheduled to take place.

2. The Long Range Planning Division was transferred from the PUC to Hetch Hetchy in FY 2002-03. The Division is responsible for periodically assessing San Francisco's energy requirements and determining what investments in infrastructure, including power generation, transmission and distribution, load management and energy efficiency are needed to provide an optimal resource mix for reliable and reasonably-priced electric service. In coordination with other city departments, the Long Range Planning Division prepared a 10- year Electricity Resource Plan for San Francisco that was adopted by the Board of Supervisors (File No.02-1858). The Division provides advice on energy policy directly to the Mayor and coordinates the City's activities on energy policy at the California Public Utilities Commission, California Energy Commission, California Independent System Operator, and the Federal Energy Regulatory Commission.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-04

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tment: PUC Public Utilities Commission - HHP HETCH HETCHY

		Position/ Equipment	Number		Amount		
Object		**Number**	**From**	**To**	**From**	**To**	**Savings**
Power and Supply Operations							
001	Permanent Salaries- Misc.				$15,177,113	$15,126,269	*
	* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
001	Utility Analyst	5601A	1.75	1.00	118,241	67,397	50,844
	To eliminate a new 0.75 FTE Utility Analyst position not sufficiently justified. The Department currently has 4.0 FTE Utility Analyst positions. We are, however, recommending approval of 7.50 FTE new positions for Hetch Hetchy.						
011	Overtime				382,963	337,963	45,000
	Reduce to 2002-03 budget level adjusted by a cost of living factor for 2003-04.						
013	Mandatory Fringe Benefits	UH302			3,445,967	3,432,932	13,035
	* Corresponds to reduction in salaries.						
021	Travel				67,830	22,000	45,830
	Reduce to actual 2002-03 expenditure level adjusted by a cost of living factor for 2003-04.						
022	Training				175,539	110,000	65,539
	Reduce to actual 2002-03 expenditure level adjusted by a cost of living factor for 2003-04.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

epartment: PUC Public Utilities Commission - HHP HETCH HETCHY

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
59	024	Membership Fees				$190,055	$100,983	$89,072
		Reduce to 2002-03 budget level adjusted by a cost of living factor for 2003-04.						
59	027	Professional and Specialized Services				2,523,000	2,473,000	50,000
		To reduce in accordance with Department's updated requirements.						
60	060	Equipment Purchase				1,105,081	1,005,081	*
		* The recommended reduction in equipment is the total of the following specific recommendations.						
98	060	Equipment not detailed	9999Z			0	(100,000)	100,000
		To reduce the Equipment budget to the minimum required for effective operations. The Department budget for equipment in FY 2002-03 was $584,012.						
		Total Recommended Reductions						**$459,320**

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - WTR WATER DEPARTMENT

FINANCIAL DATA:

The Water Department proposed $202,752,460 budget for FY 2003-04 is $26,481,481 or 15.02 percent more than the original FY 2002-03 budget of $176,270,979. The net increase from the revised FY 2002-2003 budget is $26,481,481 or 15.02 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) from 2002-2003 Original Budget
Water (In-City) Distribution	$103,900,225	$103,900,225	$107,923,459	$4,023,234
Supply and Treatment	49,290,754	49,290,754	53,536,567	4,245,813
Water Capital Projects	23,080,000	23,080,000	37,481,000	14,401,000
Water- Hetchy Resource Plan	0	0	2,000,000	2,000,000
Operations Administration	0	0	1,811,434	1,811,434
Total Expenditures	**$176,270,979**	**$176,270,979**	**$202,752,460**	**$26,481,481**

Major expenditure changes from the original FY 2002-03 budget to the proposed FY 2003-04 budget are as follows:

Expenditure	FY 2002-03 Budget	FY 2003-04 Budget	Increase/ (Decrease)
Permanent Salaries – Misc.	$29,954,650	$32,433,224	$2,478,574
Mandatory Fringe Benefits	8,526,841	7,927,453	(599,388)
Professional & Specialized Services	1,889,751	2,264,884	375,133
Maintenance Building and Structures	351,041	727,863	376,822
Water Sewage Treatment Supplies	2,071,119	3,529,919	1,458,800
Equipment Purchase	2,443,435	2,897,269	453,834
Service of Other Depts. (AAO Fund)	37,160,548	43,142,621	5,982,073
Debt Service	39,458,940	38,263,531	(1,195,409)
Water- Hetchy Resource Plan	0	2,000,000	2,000,000
Buildings, Structures & Improvements	23,080,000	37,481,000	14,401,000
Total	**$144,936,325**	**$170,667,764**	**$25,731,439**

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - WTR WATER DEPARTMENT

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-04 is 483.54 FTEs, which is 20.60 FTEs more than the 462.94 FTEs in the original FY 2002-03 budget. The FTE allocations by program are as follows:

Full Time Equivalents	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) from 2002-2003 Original Budget
Water (In-City) Distribution	204.39	204.39	210.76	6.37
Supply and Treatment	258.55	258.55	266.28	7.73
Operation Administrations	0	0	6.50	6.50
Total FTE	**462.94**	**462.94**	**483.54**	**20.60**

The FTE position count of 20.60 is due to the following transactions:

Transaction	FTE Count
New Positions	14.25
Deleted Positions	0.00
Decrease in Attrition Savings	.15
Annualization	3.00
Temporary Positions	(1.8)
Reassignments	4.00
Non- operating position to operating position	1.00
Total	20.60

The 20.60 increase in the FTE count for FY 2003-04 is due to 14.25 FTE new positions, a 0.15 FTE decrease in Attrition Savings, 4.0 FTE in reassignments, a 1.8 FTE decrease for temporary salaries, annualization of 3.0 FTE for twelve positions which were new in FY 2002-03 budget at 0.75 FTE each, and a 1.00 FTE increase due to transferring a non-operating position to an operating position. Additionally, there is an increase of 17 new project positions (off-budget).

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - WTR WATER DEPARTMENT

New positions requested in FY 2003-04 are shown in the table below.

Name	Classification	No. of FTE Positions	Annual Salary at Top Step	Annualized No. of Positions	Annual Total Salaries
Executive Secretary II	1452	0.75	$62,120	1	$62,120
Assistant Purchaser	1950	0.75	48,915	1	48,915
Custodian	2708	0.75	43,859	1	43,859
Utility Plumber Supervisor I	7250	1.50	86,329	2	172,658
City Shops Asst. Superintendent	7277	0.75	91,150	1	91,150
Maintenance Machinist	7332	1.50	63,797	2	127,594
Senior Stationary Engineer	7335	0.75	69,613	1	69,613
Stationary Engineer, Water Treatment Plant	7341	4.50	67,937	6	407,622
Utility Plumber	7388	2.25	76,845	3	230,535
General Laborer	7514	0.75	48,077	1	48,077
Total:		**14.25**		19	**$1,302,143**

The Budget Analyst is recommending disapproval of 0.75 FTEs, or one annualized position, consisting of one new 0.75 FTE 1452 Executive Secretary position due to insufficient justification. The Budget Analyst is recommending approval for the remaining 13.50 FTE or 18 new positions, which are needed to staff various water programs and projects. The requested positions are explained in more detail in the Description Section below.

DEPARTMENT REVENUES

Department revenues have increased by $27,761,723 or 13.2 percent from $210,016,015 in FY 2002-03 to $237,777,738 in FY 2003-04. The revenue changes from the original FY 2002-03 budget to the proposed FY 2002-03 budget are as follows:

Revenue	FY 2002-03	FY 2003-04	Increase/ (Decrease)
Interest Income	$3,999,014	$6,000,000	$2,000,986
Sale of Water - SF Consumers	75,964,095	71,220,000	(4,744,095)
Sale of Water - Muni Paying	1,397,605	1,370,000	(27,605)
Sale of Water - Suburban Resale	77,778,800	94,190,000	16,411,200
Other Non-Operating Revenue	4,300,000	4,435,000	135,000
Intrafund Transfers In	23,080,000	25,581,000	2,501,000
Other City Property Rentals	7,200,000	8,200,000	1,000,000
Beginning Fund Balance	16,296,501	26,781,738	10,485,237
Total	$210,016,015	$237,777,738	$27,761,723

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - WTR WATER DEPARTMENT

DESCRIPTION

1. The Water Department operates local water storage facilities and the drinking water distribution system. It provides water to the following commercial and residential residents of San Francisco, and various suburban commercial and residential customers.
   a. City Retail Customers: the Department stores, distributes, treats, and delivers water directly to customers within the City. It maintains the water distribution system within the City, which consists of several local reservoirs, pumping stations, and auxiliary tanks.
   b. Suburban Retail Customers: the Department stores, distributes, treats, and delivers water directly to a small number of city departments and customers outside the City.
   c. Suburban Wholesale Customers: the Department provides water storage, transmission, and treatment for service to wholesale customers who, in turn, provide retail water service to customers outside of the City.
2. The Water Department's proposed $202,752,460 budget for FY 2003-04 includes $37,481,000 in capital projects, as shown below:

Title	WTR Revenues
Hetch Hetchy Water Treatment Plant- Regional Water	$2,472,000
Millbrae Admin. Building	500,000
SFPUC-East Bay Municipal Utility District Intertie	200,000
Pipeline Cathodic Protection	265,000
Rehab./ Upgrade Treatment Facilities	2,550,000
Watershed and Facilities Fence	400,000
Watershed Roads and Bridges	400,000
Facility Maintenance Support Structures	1,000,000
Sunol and Niles Dam Removal	175,000
Facilities Security Project	2,000,000
Renew Services and Meters	1,400,000
Meter Replacement Program	580,000
New Services and Meters	2,000,000
Gate Valve Repair Replacement	400,000
New Feeder Mains	4,395,000
Distribution Main Replacement	5,700,000
Manifold Compound Replacement	535,000
City Reservoir Mixing	609,000
Hetch Hetchy Water Treatment Plant- Local Water	5,000,000
City Reservoir/ Tank Rehab	4,500,000
Pump Station Upgrades	2,400,000
Total	$37,481,000

The Water Department's FY 2003-04 capital projects budget of $37,481,000 represents an increase of $14,401,000 from the FY 2002-03 capital projects budget of $23,080,000.

3. The Department has budgeted 19 new positions (14.25 FTE) at a first year cost of approximately $1,302,143 in order to support several new projects and enhance existing programs in the three Divisions: City Distribution, Water Supply and Treatment, and Operations Administration. Below is a summary of the 19 new requested positions.

   a) Operations Administrative Support: A 0.75 FTE 1452 Executive Secretary II position (one annualized) and a 0.75 FTE 7277 City Shops Assistant Superintendent position (one annualized). These two new administrative positions are being requested to support PUC Operations; Hetch Hetchy, City Distribution, Water Supply and Treatment, Clean Water Program, Environmental Regulation and Management and Water Quality. Operations Administration is a new division for FY 2003-04 and there is presently no support staff affiliated with the Operations Administration Division.

   b) Purchasing/Warehouse Improvements: According to Ms. Yolanda Alcantar of the Water Department, purchasing and warehouse staffing at the Millbrae yard (Water Supply and Treatment Division) have not kept pace with the increase in Water Department's workload. One 0.75 FTE 1950 Assistant Purchaser position (one annualized) is requested to alleviate the delays the Department is experiencing and to ensure that backlogs do not impact the scheduling and sequencing of the Capital Improvement Projects.

   c) Operations and Maintenance of New Treatment Facilities: Six FTEs (eight annualized positions) are being requested, including 0.75 FTE 2708 Custodian, 0.75 FTE 7335 Senior Stationary Engineer and 4.50 FTE 7341 Stationary Engineer, Water Treatment Plant positions to operate and maintain the San Antonio Pump Station, the new Potassium Permanganate Facility, and respond to night shift events at the new Sunol Valley Chloramination Facility. This proposal includes the cost of chloramination chemicals and of equipment required by new staff. The Water Supply and Treatment Division currently has three 2708 Custodian positions and 26 existing 7341 Stationary Engineer positions, but these existing positions work on existing programs, not the newly proposed treatment facilities.

   d) Repair and Replacement Maintenance Program: To support maintenance services at the City Distribution Division, preventative maintenance, and to provide additional support to Repair and Replacement projects, 1.50 FTE (two annualized) 7332 Maintenance Machinists positions are being requested. There are 12 other 7332 Maintenance Machinists in the City Distribution Division. According to Ms. Alcantar, the two new requested positions will enhance and expand current Repair and Replacement Maintenance programs.

DEPARTMENT: PUC PUBLIC UTILITIES COMMISSION - WTR WATER DEPARTMENT

e) Chloramination/Unidirectional Flushing Program: Implementation of chloramination in distribution systems is accomplished through operation and maintenance practices, which require significant investments in labor and monitoring activities of the local water system. These activities are needed to prevent nitrification events such as bacterial growth and sediment built-up caused by ammonia nutrients, which affect taste and odor and have serious to critical impacts on water quality in San Francisco. The major activity involved is to clean the system using unidirectional flushing practices that are new to San Francisco. 4.5 positions (six annualized) are being requested, including 1.50 FTE 7250 Utility Plumber Supervisor I (two annualized), 2.25 FTE 7388 Utility Plumber (three annualized), and 0.75 FTE 7514 General Laborer positions (one annualized). Presently in the Water Supply and Treatment Division there are six 7250 Utility Plumber Supervisor I positions, ten 7388 Utility Plumber positions, and 33 7514 General Laborer positions. According to Ms. Alcantar, the new requested positions will enhance and expand the current Chloramination/Unidirectional Flushing Programs.

As previously stated, the Budget Analyst is recommending disapproval of 0.75 FTEs, or one annualized position, consisting of one new 0.75 FTE 1452 Executive Secretary position due to insufficient justification. The Budget Analyst is recommending approval for the remaining 13.50 FTE or 18 new positions, which are needed to staff various water programs and projects.

COMMENT

The Mayor's budget provides an increase of $26,481,481. Our recommended reductions, which total $651,942 would still allow an increase of $25,829,539 or 14.65 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

rtment: PUC Public Utilities Commission - WTR WATER DEPARTMENT

Object		Position/ Equip- ment	Number From	Number To	Amount From	Amount To	Savings
ity Distribution - BCF							
001	Permanent Salaries - Misc.				$ 13,975,054	$ 13,946,670	*
	*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations .						
001	Attrition Savings	9993M	(10.64)	(11.07)	(702,348)	(730,732)	$28,384
	Increase Attrition Savings to 5% of City Distribution's Permanent Salaries.						
013	Mandatory Fringe Benefits				3,999,655	3,994,262	5,393
	Corresponds to reduction in Permanent Salaries.						
028	Maintenance Svcs. Buildings and Structures				442,100	332,100	110,000
	To reduce funding for Tree Infestation Program to amount required for program start-up.						
053	Judgements and Claims				1,000,000	800,000	200,000
	To reduce in accordance with Department's updated requirements.						
rations Administration- BCH							
001	Permanent Salaries - Misc.				668,919	620,041	*
	*The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations .						
001	Executive Secretary II	1452A	0.75	0.00	48,878	0	48,878

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

Department: PUC Public Utilities Commission - WTR WATER DEPARTMENT

Page No.	Object		Position/ Equip-ment	Number From	Number To	Amount From	Amount To	Savings
		To eliminate one new position (0.75 FTE) not sufficiently justified by the Department. This position was requested to support the new Operations Administration Division, newly created for FY 2003-04 to centralize the function of operations in the Water Department. The Budget Analyst considers this Division, which will be headed by a 5166 Assistant General Manager position (to be reassigned from the PUC General Management Divison), with an annual salary of $147,034, to be revenue neutral pertaining to administrative support positions, and should not result in any new administrative support positions. Such positions for this new Division should be handled by the existing support staff in City Distribution and Water Supply and Treatment Divisions, where the responsibilities of the new Operations Administration have heretofore been handled. We are, however, recommending approval of 18 new positions (13.50 FTEs) for the Water Department.						
718	013	Mandatory Fringe Benefits Corresponds to reduction in Permanent Salaries.				$95,485	$86,198	$9,287
Supply and Treatment- BCG								
716	035	Other Current Expenses Reduce to 2002-2003 budget level adjusted by a cost of living factor for 2003-04.				1,128,200	878,200	250,000
		Total Recommended Reductions						**$651,942**

City and County of San Francisco
Meeting Minutes
Budget Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma and Matt Gonzalez

Clerk: Victor Young

Monday, June 09, 2003 **9:30 AM** **Legislative Chambers, Second Floor**

Special Meeting

Members Present: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma, Matt Gonzalez.

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Meeting Convened

The meeting convened at 9:37 a.m.

REGULAR AGENDA

030112 **[Mayor's Budget Plan]**

Supervisors Peskin, Daly

Hearing to review the Mayor's most recent budget plan, issued in January 2003. This hearing will address the Mayor's current and planned spending changes to address the City's current budget deficit.

1/21/03, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests that this item be heard by the Board of Supervisors' Budget Committee if it is established by President Gonzalez and convenes before February 15, 2003. If a Budget Committee meeting is not scheduled before February 15, 2003, sponsor requests that this hearing be scheduled at the Board's Finance Committee at its meeting on February 5, 2003

2/5/03, TRANSFERRED to Budget Committee. New committee structure 2/17/03.

2/20/03, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Ben Rosenfield, Mayor's Budget Office; Female Speaker

Continued to February 27, 2003

3/6/03, CONTINUED. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office.

Continued to March 27, 2003.

3/27/03, CONTINUED. Heard in Committee. Speakers: Whit J. Manns, Tenderloin Self-Help Center and Central City Hospitality House; Linda Adams, Tenderloin Self-Help Center; Roger Jones, Tenderloin Self-Center; Francis Terry, Central City Hospitality House; Charles A. Maxwell, Central City Hospitality House; Michael Moore, Central City Hospitality House and Tenderloin Self-Help Center; Dartagnan Hutcherson, Tenderloin Self-Help Center; Yolanda Warren, Tenderloin Self-Help Center; Michael Robinson, Tenderloin Self-Help Center, Charles Carrill, Central City Hospitality House and Tenderloin Self-Help Center, Luther Rickert, Director of Employment Services, Central City Hospitality House (located in Tenderloin Self-Help Center); John Bardis; Edward Evans, Community Resources Action Project, Richard Robinson, Community Awareness Treatment Center; Edward Harrington, Controller; Ben Rosenfield, Mayor's Budget Office

Continued to 4/3/03 meeting

4/3/03, CONTINUED. Heard in Committee. Speakers: Jackie Jays; male speaker; male speaker; Howard Simms; Ben Rosenfield, Mayor's Budget Office; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

Continued to April 10, 2003

4/10/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Steve Kawa, Mayor's Office

5/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: male speakers; Francis Kent; Sister Bernie Calvin; Martha Olson; Katie Danielson; Cecelia Valentine; Norman Terra; Danita Lanson; Dr. Joanne Keenie; James Matter; James Beck; Ms. Goodrow; Emily Wilscott; Michelle Castro; Gene Bishop; Ted Trehan; Carol Cansano; Jennifer O'San; Terra Sanker; Mr. Vocher; male speaker; Dave Richmond; Dr. Verna Chapman; Helena Giles; Maryl Bytes; Elizabeth Ware; Jackilyn Freeman; John Bardis; Ms. McNeil; Espinola Jackson; Ed Harrington, Controller; Steve Kawa, Mayor's Office.

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spke Kahn, Local 21; Ted Lakey, Deputy City Attorney; Monique Zmuda, Deputy City Controller; Elene Boken; Dave Warner; Nancy Wuerful; Jane Salonow; Richard Zimmerman; David Chan; Richard Montgomery; Mr. Takenhemer; Pat Walker; Ms. Hopps; Lloyd Carlson; Melissa Marris; Evette Simpson; Ronald Solin; Rick Barry; Joan Puppet; Lin Rogers; male speaker; female speaker; female speaker; John Risso; Robert Emery; Steve Doy; Mirineth Straner; Arron Isreal; Bill Wong; Douglas Perrier; Mark Stout; Arnold Thompson; Ossie Asure; Eric Manthis; Andy Gross; Eric Sadic; Eda Sido; John Marks; Jim Chapal, Spur; Lee Mates; Jim Wonderman; Nathan Nayman; Jack Damon; Dan Kuanto; Piedres; Michael Gorenstein; Steve Roseburn; Vic Ay; Silvia Johnson; Tara Houseman; Pescal Surman; Lou Given; Rua Graffis; Jennifer Jackson; male speaker: Brian West; David Lewis; Wendy Stiff; Curt Recunin;

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr. Moralez

Heard in Committee Speakers: Bertha King; female speaker; Jim Corrigan; male speaker; Nina Suso; Judith Baker. Megan Parsha, Natilie Brow; Debra Lea; Audre Lee; Sydina Baldwin; David Drabell; Alician Green; Art Evans, Edgar Dennis; Alexander Arilio; Shawn Collins; Chris Buhan; Jenifer Grant; Dwain Newton; Mindy Tomage, Marie Jobling; Donna Kalang, Jen Mathews; John Darwin; Luis Caldrin; Vic Vigan; Peter Warfield. Debra Doyle, Fred Sanchez; Rosa Petigan; Margaret Bearing; Cynthia Alexis; Sally Large; Ms. Disagara. Jim Perzakula; Michael Fredon; Dan James; John Bodine; Alfred Jones; Cathy Austin; Melisa; Mr. Chavez; Dennis Carol; Arlene Ackerman, Superintendent, SFUSD; Ed Harrington, Controller.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

9)

030302 **[Budget Updates]**

Supervisors Daly, Peskin

Hearing to consider budget updates from the Mayor, Controller, Budget Analyst, Legislative Analyst, and City Departments.

2/25/03, RECEIVED AND ASSIGNED to Budget Committee.

3/6/03, CONTINUED. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office.

Continued to March 27, 2003.

3/27/03, CONTINUED. Heard in Committee. Speakers: Whit J. Manns, Tenderloin Self-Help Center and Central City Hospitality House; Linda Adams, Tenderloin Self-Help Center; Roger Jones, Tenderloin Self-Center; Francis Terry, Central City Hospitality House; Charles A. Maxwell, Central City Hospitality House; Michael Moore, Central City Hospitality House and Tenderloin Self-Help Center; Dartagnan Hutcherson, Tenderloin Self-Help Center; Yolanda Warren, Tenderloin Self-Help Center; Michael Robinson, Tenderloin Self-Help Center; Charles Carrill, Central City Hospitality House and Tenderloin Self-Help Center; Luther Rickert, Director of Employment Services, Central City Hospitality House (located in Tenderloin Self-Help Center); John Bardis; Edward Evans, Community Resources Action Project, Richard Robinson, Community Awareness Treatment Center; Edward Harrington, Controller; Ben Rosenfield, Mayor's Budget Office.
Continued to 4/3/03 meeting.

4/3/03, CONTINUED. Heard in Committee. Speakers: Jackie Jays; male speaker; male speaker; Howard Simms; Ben Rosenfield, Mayor's Budget Office; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

Continued to April 10, 2003.

4/10/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Steve Kawa, Mayor's Office.

4/17/03, REFERRED TO DEPARTMENT. Agendas reffered to affected departments. (Directions to departments to be delivered by Supervisors Daly's Office.)

4/21/03, CONTINUED TO CALL OF THE CHAIR. Heard in the Budget Committee. Speakers: Julian Low, Mayor's Office; Ed Harrington, Controller; Pamela Fischer; Spike Kahn, Local 21; David Pilpel; Gail Wechsler; Yvette Simpson; Kimia Mizany; Helen Lucas, Airport; Kevin Cone, Airport; Lima Avery, Business and Economic Development Department Frank Chiu, Director, Building Inspection; Ed Lee, Public Works; Tina Olson, Public Works.

At the hour of 5:16 p.m. a quorum of the Board of Supervisor was noted present. The meeting is now considered to be a SPECIAL BOARD MEETING.

Heard in Special Board Committee. Speakers: Gigi Harrington, Municipal Transportation Agency; Julia Dawson, Parking and Traffic; Ted Lakey, Deputy City Attorney; Joe Speaks; Municipal Transportation Agency; Joe Robinson, Director of Administrative Services, Port; Bill Berry; Public Utilities Commission; Denise Brady, Dept. of Telecommunications and Information Services; Naomi Little, Executive Director, Taxi Commission; Shawn Collins; Pinkey Kushner; Robert Chieflou; Ms. Dawson, Randall Museum.

4/24/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Erin McGrath, Mayor's Office; Greg Sass, Chief Finance Officer, Public Health; Ms. Hinke; Marlene Tran, Lindsay Berger, Youth Commission; Dr. Martin Louie; Hywel Sims; Andrew Bozeman; Kara Graziano; male speaker; James Beck; male speaker; Melanie Myers; Ms. Kepenoli, Local 250; Vandi Kim; Lessie Hopkins; Richard Goldman; Dr. Harry Densen; female speaker; Troy Newman; Wattie Sanders; Jaye Richardson; female speaker; Ena Aguirre; Jim Dilley; James Gregg; Gloria Frush-Frederico; Alex Georgokopolis; Esther Chavez; Mara Wallace. Alfredta Nesbitt; Barbara Farrell; Alvin Jones; Ann Togia; Karen Patterson Matthew; Sheri Fostin; Paul Kunsberg; Nat Jordan; Michael Lyon; Piers Mackenzie; Oscaryne Williams; Sam Dodge; Dee Epps Miller; Rebecca Dorman; James Kaner; Mr. Murphy; Anthony Imperial; Jospeh Pace; Walter Johnson; Frank William, Senior Ex-Offenders Program; Ms. Eversiti; Beth Mcgee; Jennifer Baity Carlin; Daniel Turbin; Larry Bevan; Linda Zaretsi; Dr. Mitchell Katz, Director, Public Health

5/1/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Supervisor Jake McGoldrick; Ed Harrington, Controller; Ms. Simmons, Mayor's Office; Derrick Lam, Ageing and Adult Services; Jennifer Stanley, Senior Legislative Analyst; male speaker; Gabrielle Selder; Ken Teisen; Merrill Buice; Luis Calderon; Marie Jobling; Philip Carleta; Michael Denny; Richard Robinson; Bill Hollabaugh, Les Will, female speaker, Vera Haile, Ron Miguel, Margaret Baran, Susanne Tucker, Sofia Sepecoa, Justin Fichelson, Youth Commission; Roy Recio; Erika Horn; female speaker; Phil Arnold, Human Services

5/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: male speakers; Francis Kent; Sister Bernie Calvin; Martha Olson; Katie Danielson; Cecelia Valentine; Norman Terra; Danita Lanson; Dr. Joanne Keenie; James Matter; James Beck; Ms Goodrow, Emily Wilscott, Michelle Castro, Gene Bishop, Ted Trehan, Carol Cansano, Jennifer O'San, Terra Sanker, Mr Vocher, male speaker, Dave Richmond, Dr Verna Chapman, Helena Giles, Maryl Bytes, Elizabeth Ware, Jackilyn Freeman, John Bardis, Ms McNeil, Espinola Jackson; Ed Harrington, Controller; Steve Kawa, Mayor's Office

5/8/03, CONTINUED TO CALL OF THE CHAIR Heard in Committee Speakers Monique Zmuda, Controller's Office, Katie Petrucione, Mayor's Office, Elizabeth Goldstein, Executive Director, Recreation and Parks, Katie Cluster, Mary Mcallister,. Jim Krotzer, Victoria Lansdown,Harriet Ziskin, female speaker (translated from Russian), Denise Couther, Randy Wilkinson, Philip Carleton, Margaret Brodkin, Nancy Wuerfel, Sashe Mosalov, Linda Hunter, Susan Bogan, Peter Warfield Laurel Burkhalter, Ms Cameran, Christopher Dudenstaut, Nels Erikson, Brian Green, Snia Ng, Dr Janice Cohen, Kathleen White, Debbie Montarano, Ron Dudum Ms Whitten, Eddy Wedertz; Lorry Cole, CJ Mourning, David Van Dormeden, Tracy Massingale, Bettery Traynor, female speaker, Megan Bierman, Mr Mckinna, Recreation and Park

5/12/03, CONTINUED. Heard in Committee. Speakers: Kieu-anh King, Mayor's Office, Brenda Lopez; Martha McNeil, Peg Hickcox; female speaker; Connie Hagen; Dan Armis; David Rile; Monic Louper; Al Rosen; Risio Vela; Ruth VurosKAren Kircher; Tracy Garrison, Judith Baker, Ryne Green, Sandra Fewer, Dave Richmond; James Beck, female speaker, Jeff Mori, Dan Mallallair; male speaker, Ben Island, Helena Giles, Chester Palisol, donna Kahill, female speaker, female speaker, female speaker; maile speaker; Libby Alber, Dr. Verna Chapman, Tracy Regal, Ray Balberan, Kyle Fura, Ms. Park, Natale Bruth, Jill Fox, NTanya Lee, Mary Arnts, Barbara Caravello, Dr. Carla Perez, Juno Duenas, Myrna Lina, Judith Flynn, Nicole Hurst, Debra Stein, Barbara Farrell; Andrea Spagat; Mitch Myers, Eugene Downer, Richard Dion, Andrew Style, Rosie Kennedy; Pamela Do; male speaker, Irene Chan; female speaker; Olga Banks, Vikky McArthur, female speaker, Karilyn Dansen, Andrew Johnson, female speaker, David, Helen Lee, femal speaker; Ms Valentino, Marilyn Bias

5/16/03, CONTINUED TO CALL OF THE CHAIR.

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr. Moralez

Heard in Committee. Speakers: Bertha King; female speaker; Jim Corrigan; male speaker; Nina Suso; Judith Baker. Megan Parsha; Natilie Brow; Debra Lea; Audre Lee; Sydina Baldwin; David Drabell; Alician Green; Art Evans; Edgar Dennis; Alexander Arilio; Shawn Collins; Chris Buhan; Jenifer Grant; Dwain Newton; Mindy Tomage; Marie Jobling; Donna Kalang; Jen Mathews; John Darwin; Luis Caldrin; Vic Vigan; Peter Warfield; Debra Doyle; Fred Sanchez; Rosa Petigan; Margaret Bearing; Cynthia Alexis; Sally Large; Ms. Disagara, Jim Perzakula; Michael Fredon; Dan James; John Bodine; Alfred Jones; Cathy Austin; Melisa; Mr. Chavez; Dennis Carol; Arlene Ackerman, Superintendent, SFUSD; Ed Harrington, Controller.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030813 **[Government Funding, Fiscal Year 2003-04]**

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for selected departments of the City and County of San Francisco as of May 1, 2003, for fiscal year ending June 30, 2004. (Controller)

5/6/03, RECEIVED AND ASSIGNED to Budget Committee

5/14/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: John Martin, Director, SF Airport; female speaker, SF Airport; Monique Zmuda, Deputy Controller; Ted Lakey, Deputy City Attorney

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spike Cahen, Local 21, John Bardis, male speaker, Local 21; Mr. Moralez

Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030786 **[Annual Budget, Fiscal Year 2003-04]**

Mayor

Hearing to consider the Mayor's proposed 2003-04 budget for the City and County of San Francisco. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030784 **[Interim Government Funding, Fiscal Year 2003-04]**

Mayor

Interim Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

Continued to June 11, 2003.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030785 **[Interim Public Employment, Fiscal Year 2003-04]**

Supervisor Daly

Interim Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2004, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

Continued to June 11, 2003.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030787 **[Government Funding, Fiscal Year 2003-04]**

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030984 **[Redevelopment Agency Budget, Fiscal Year 2003-2004]**

Mayor, Supervisor Daly

Resolution approving an Interim Budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 2003-2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

Continued to June 11, 2003.

CONTINUED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030788 **[Public Employment, Fiscal Year 2003-04]**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2004, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030966 **[MOU - Teamsters, Local 853]**

Mayor, Supervisor Daly

Ordinance adopting and implementing an arbitration award establishing the Memorandum of Understanding between the City and County of San Francisco and the Teamsters, Local 853, to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030967 [MOU - Automotive Mechanics Union Lodge No. 1414]

Mayor, Supervisor Daly

Ordinance adopting and implementing an arbitration award establishing the Memorandum of Understanding between the City and County of San Francisco and the Automotive Mechanics Union Lodge No. 1414, to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030968 [MOU - Deputy Probation Officers' Association]

Mayor, Supervisor Daly

Ordinance adopting and implementing an arbitration award establishing the Memorandum of Understanding between the City and County of San Francisco and the Deputy Probation Officers' Association to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030969 [MOU - District Attorney Investigators' Association]

Mayor, Supervisor Daly

Ordinance adopting and implementing the mediated agreement establishing the Memorandum of Understanding between the City and County of San Francisco and the District Attorney Investigators' Association to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030970 [MOU - Union of American Physicians and Dentists (Unit 8CC)]

Mayor, Supervisor Daly

Ordinance adopting and implementing the mediated agreement establishing the Memorandum of Understanding between the City and County of San Francisco and the Union of American Physicians and Dentists (Unit 8CC), to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030972 **[MOU - San Francisco Institutional Police Officers' Association]**

Mayor, Supervisor Daly

Ordinance adopting and implementing the mediated agreement establishing the Memorandum of Understanding between the City and County of San Francisco and the San Francisco Institutional Police Officers' Association to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030973 **[MOU - Municipal Attorneys' Association]**

Mayor

Ordinance adopting and implementing the mediated agreement establishing the Memorandum of Understanding between the City and County of San Francisco and the Municipal Attorneys' Association to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

Recessed to June 11, 2003, at 9:00 a.m.

MEETING RECESSED.

030974 **[MOU - Service Employees International Union Joint Council, Locals 250, 535 and 790, AFL-CIO]**

Mayor, Supervisor Daly

Ordinance adopting and implementing the mediated agreement establishing the Memorandum of Understanding between the City and County of San Francisco and the Service Employees International Union Joint Council, Locals 250, 535 and 790, AFL-CIO, to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030975 **[MOU - San Francisco Interns and Residents Association]**

Mayor, Supervisor Daly

Ordinance adopting and implementing the mediated agreement establishing the Memorandum of Understanding between the City and County of San Francisco and the San Francisco Interns and Residents Association, to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030976 **[MOU - Union of American Physicians and Dentists (Unit 11-AA)]**

Mayor, Supervisor Daly

Ordinance adopting and implementing the mediated agreement establishing the Memorandum of Understanding between the City and County of San Francisco and the Union of American Physicians and Dentists (Unit 11-AA), to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030977 **[MOU - Staff and Per Diem Nurses, SEIU Local 790]**

Mayor, Supervisor Daly

Ordinance adopting and implementing Amendment No. 2 to the Memorandum of Understanding between the City and County of San Francisco and the Staff and Per Diem Nurses, SEIU Local 790, to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030978 **[MOU - Teamsters, Local 856 (Supervising Nurses)]**

Mayor, Supervisors Daly, Newsom

Ordinance adopting and implementing Amendment No. 2 to the Memorandum of Understanding between the City and County of San Francisco and the Teamsters, Local 856 (Supervising Nurses), to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney.

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030979 **[MOU - Laborers International Union, Local 261]**

Mayor, Supervisor Daly

Ordinance adopting and implementing an arbitration award establishing the Memorandum of Understanding between the City and County of San Francisco and the Laborers International Union, Local 261, to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney

RECOMMENDED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

SPECIAL ORDER 10:15 AM

031025 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for the Controller, Public Library, Telecommunications and Information Services, Fire Department, Human Resources, and Civil Service Commission for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Ed Harrington, Controller; Susan Hildreth, Library; Lewis Loeven, Director, DTIS. Mario Trevino, Chief, Fire Department; Ben Rosenfield, Mayor's Office; Chirstine Regan, Chief Financial Officer, Fire Department; Adrea Gourdine, Director, Human Resources; Kate Favetti, Executive Officer, Civil Service Commission.

Continued to June 25, 2003.

CONTINUED by the following vote:

Ayes: 4 - Daly, Peskin, Maxwell, Ma
Absent: 1 - Gonzalez

SPECIAL ORDER 2:00 PM

031026 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for Administrative Services/Public Works (Includes Consumer Assurance, Medical Examiner, Animal Care and Control, Convention Facilities, Office of Contract Administration, and Public Works), Ethics Commission, Human Services, Adult Probation, Department on the Status of Women, Emergency Communications, General City Responsibility, Entertainment Commission, and County Education Fund for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Darryl Burton, Administrative Services; Bill Lee, City Administrator; Dr. Stevens. Ben Rosenfield, Mayor's Office; male speaker; female speaker; male speaker; Ed Lee, Director, Public Works; Ginny Vida, Ethics Commission; David Planthold; Trent Rhorer, Human Services; Michele Rutherford, Ed Harrington, Controller; Armando Cervantes, Chief Probation Officer, Adult Probation; Belle Taylor-McGhee, Director, Commission on the Status of Women; Daniel Sullivan, Acting Director, Emergency Communications.

CONTINUED by the following vote:

Ayes: 4 - Daly, Peskin, Maxwell, Ma
Absent: 1 - Gonzalez

ADJOURNMENT

At the hour of 5 15 the meeting recessed to June 11, 2003 at 9:00 a.m

CITY AND COUNTY OF

BOARD OF SUPE
BUDGET ANALYS
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

[All Committees]
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Main Library

June 6, 2003

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TO: Budget Committee

FROM: Budget Analyst

SUBJECT: June 9, 2003 Budget Committee Meeting

Items 5, 6 and 8 - Files 03-0784, 003-0785 and 03-0984

1. The proposed legislation would approve the Interim Annual Appropriation Ordinance (File 03-0784), the Interim Annual Salary Ordinance (File 03-0785) and a resolution approving an Interim Budget for the Redevelopment Agency for Fiscal Year 2002-2003 (File 03-0984).

2. The annual budget process for the City and County requires that the Board of Supervisors approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance for Fiscal Year 2003-2004 on or before June 30, 2003. The purpose of these interim ordinances is to provide position and expenditure authorization for the various departments of the City and County during the time that the Budget Committee of the Board of Supervisors is reviewing the Mayor's recommended budget for Fiscal Year 2003-2004.

3. The Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance are based on the Fiscal Year 2003-2004 proposed budget recommendations of the Mayor. Hence, these ordinances include authorization and funding for all programs and program revisions which are included in the Mayor's proposed FY 2003-2004 budget. Each program and program revision will be reviewed in detail during the budget hearings which have been scheduled by the Budget Committee from June 25 through June 27, 2003.

4. The proposed resolution (Item 8, File 03-0984), approving an interim budget for the Redevelopment Agency, provides authority for the Redevelopment Agency to function under the State Community Redevelopment Law for the period from July 1, 2003 until the Redevelopment Agency's budget for FY 2003-2004 is finally approved by the Board of Supervisors, as required by Section 33606 of the State law. Approval of the proposed resolution would not constitute final approval of new positions, program expenditures, or Tax Increment Bonds for FY 2003-2004.

5. As a general policy, in previous years, the Board of Supervisors has not approved new positions and programs during the interim budget period without detailed review unless the Budget Committee and the full Board authorizes exceptions. This general policy has been implemented by instructing the Controller not to certify the availability of funds for new positions, new programs or program expansions during the interim budget period between July 1 and July 31. If an exception is approved by the Board of Supervisors, new positions can be filled effective July 1. Otherwise, new positions will generally not be filled until August 1 of each fiscal year at the earliest.

6. The Administrative Provisions of the Interim Annual Appropriation Ordinance further state that no funds shall be allotted until August 1 for capital improvements and equipment. However, leased equipment is not subject to this provision. In certain cases, specific exceptions to these general policies have been approved by the Board of Supervisors. Exceptions have been based on such factors as new positions and programs that produce revenue or prevent major service deficiencies which would result from delays in filling new positions or starting new programs. Approval of some equipment purchases, for example, could result in cost savings.

7. The Controller has prepared revisions to the Administrative Provisions of the Interim Annual Appropriation Ordinance (AAO) which is shown in Attachment I and are discussed below.

- **Sections 4 and 4.1 Interim Budget Provisions.**

  Language is added authorizing the Controller to pay expenditures for Board of Supervisors Budget Committee recommended restorations to items deleted by the Mayor's Recommended Budget and pay positions restored to the budget by the Board of Supervisors Budget Committee for positions deleted, by the Mayor, until the budget is finally approved by the Board of Supervisors.

- **Section 5 Transfers of Functions and Duties**

  The following transfer of departmental functions would be specified in the Interim Annual Appropriation Ordinance:

  - Fingerprint technicians at the intake and release center at County Jail #9 currently in the Police Department shall be transferred to the Sheriff's Department.
  - Responsibility for the transfer of arrested persons from police stations to the county jail currently performed by the Sheriff's Department shall be transferred to the Police Department.
  - Welfare fraud investigative functions currently performed by the District Attorney shall be transferred to the Department of Human Services.

- **Section 11.12 Stadia Development**

  Language would be added to provide that prior year Naming Rights Revenue – Funds previously dedicated per Ordinance 236-96 may be appropriated to meet maintenance and operating costs of Candlestick Park.

  According to Mr. Todd Rydstrom of the Controller's Office, unexpended naming rights revenue from the previous naming rights agreement for Candlestick Park, which terminated in FY 2001-2002, of $27,312 would be released for expenditure for maintenance and operating costs at Candlestick Park.

- **Section 11.13 Hotel Tax – Low Cost Housing**

  Hotel Tax receipts for low cost housing formerly appropriated to the Administrative Services Department would instead by appropriated to the Mayor's Office of Housing for purposes of administering this program.

  Also, language would be added providing that Hotel Tax receipts for Fiscal Year 2003-2004 allocated for low income handicapped and senior housing in the Yerba Buena Center area shall instead be appropriated to the General Fund if the Redevelopment Agency budget contains appropriations to make the required allocation from other funding sources.

  According to Mr. Ben Rosenfield of the Mayor's Office, the Redevelopment Agency budget does provide funding for such costs, and the General Fund benefit of this transfer of funding in FY 2003-2004 is $5,080,000.

- **Section 13 – Repeal of the Emergency Reserve Fund**

  Administrative Code Section 10.03, creating the Emergency Reserve Fund, would be repealed in its entirety and monies currently in the fund shall be transferred to the General Fund and may be appropriated for any lawful municipal purpose.

  Administrative Code Section 10.03 reads as follows:

  > SEC. 10.03. EMERGENCY RESERVE FUND.
  > An emergency reserve fund is hereby created, for the purposes of meeting any emergency as defined in Sections 2.107 or 3.100 of the Charter. Appropriations from such emergency reserve fund shall be made only on the recommendation of the department head concerned and the recommendation of the Mayor to the Board of Supervisors that such appropriation be made, and the vote of ¾ of the Board of Supervisors.

> The balance in said emergency reserve fund at the end of any fiscal year shall be maintained and carried forward in said fund. (Added by Ord. 277-96, App. 7/3/96; amended by Ord. 313-00, File No. 001908, App. 12/28/2000)

The current balance of the Emergency Reserve Fund, which is $4,198,046, has been used as a source of funds for the Mayor's Recommended FY 2003-2004 Budget.

- **Section 15 Departments**

The following language would be added:

> The Public Utilities Commission shall be considered one entity for budget purposes and for disbursement of funds within each of the enterprises. The entity shall retain its enterprises, including Water, Hetch Hetchy, Cleanwater, and Public Utilities Commission as separate departments, (as the departments are currently) with the authority provided to departments under the Charter.
>
> The Municipal Transportation Agency shall be considered one entity for budget purposes and for disbursement of funds within the Agency. However, the agency shall retain two separate departments, including the Municipal Railway and the Department of Parking and Traffic, with the authority provided to separate departments under the Charter.

- **Section 24. Minimum Compensation/Healthcare Accountability Ordinance**

The following language added for the FY 2002-2003 Appropriation Ordinance would be deleted:

> Language specific to the FY 2002-2003 budget concerning funds in the General City Responsibilities budget for implementation costs of the Minimum Compensation/Healthcare Accountability Ordinance.

- **Section 25. Municipal Transportation Authority Fare and Pass Policies**

  Language concerning the Uniform Transfer/Fare Receipt Policy on Municipal Railway Vehicles would be deleted and the proposed Municipal Railway Fare increases, as shown in Attachment I, beginning on page 4 would be enacted effected September 1, 2003. Based on data provided by the Municipal Railway, the increased FY 2003-2004 fare revenue resulting from the proposed fare increase would be $15.3 million, including approximately $14.9 million from fare increases for "Fixed Route Fares" and approximately $400,000 from Paratransit Fares, as described in Attachment I.

- **Section 26 and 27**

  Obsolete language specific to the FY 2002-2003 budget would be deleted and new language specific to the FY 2003-2004 budget would be added as follows:

  Transfer of State Realignment Revenues.
  The Controller is authorized to transfer revenues among City departments to comply with State Realignment Programs approved in the State budget

  Use of Permit Revenues from the Department of Building Inspection

  Revenue from permit fees from the Department of Building Inspection that are transferred to the Department of City Planning, Department of Public Health, Department of the Environment, and Fire Department as shown in this budget shall be used only to fund the planning, regulatory, enforcement and building design activities that have a demonstrated nexus with the projects that produce the fee revenues.

  The Mayor's Office, on May 28, 2003, introduced a technical adjustment for the Department of Building Inspection, transferring the following amounts to the following General Fund supported departments:

Department of City Planning	$1,048,225
Department of Public Health	592,000
Department of the Environment	100,000
Fire Department	157,000
Total	$1,897,225

This provision would therefore offset General Fund costs by the total amount of $1,897,225. In addition, the Budget Committee made a motion to increase the transfer from the Department of Building Inspection to the Department of Public Health by $109,000 (from $592,000 to $701,000) to fund Code Enforcement services provided by the SRO Collaborative, a non-profit contractor with the Department of Public Health.

8. On June 5, 2003, the Board of Supervisors Budget Committee recommended further amendments to the Administrative Provisions of the Annual Appropriation Ordinance.

Section 28 – Airport Projects

Section 28.1 Runway Reconfiguration Program:

"No monies are appropriated in this Ordinance for the Airport's Runway Reconfiguration Program. The Airport is directed that no new funds shall be spent by the Airport to continue work on the Airport's Runway Reconfiguration Program or any similar program for expansion of runways. San Francisco Administrative Code Section 10.08-2 provides that City officers shall be personally liable for approving, allowing or making unauthorized expenditures. The Controller shall notify the Airport Commission and the Airport Director of Section 28 of the Annual Appropriation Ordinance and Section 10.08-2 of the Administrative Code."

Section 28.2 San Francisco Enterprises:

"No monies are appropriated in this Ordinance for the Airport's San Francisco Enterprises venture. The Airport is directed that no new funds shall be spent by the Airport to continue San Francisco Enterprises or any similar international services. San Francisco Administrative Code Section 10.08-2 provides that City officers shall be personally liable for approving, allowing or making unauthorized expenditures. The Controller shall notify the Airport Commission and the Airport Director of Section 28 of the Annual Appropriation Ordinance and Section 10.08-2 of the Administrative Code."

Based on the action of the Budget Committee on June 5, 2003, the Budget Analyst recommends that the Interim Annual Appropriation Ordinance be amended to include the language recommended by the Budget Committee above.

9. The proposed revisions to the Administrative Provisions of the Interim Annual Salary Ordinance (ASO), as submitted by the Human Resources Department and shown in Attachment II to this report, are described below:

- **Section 2.1** was revised in FY 2002-2003 to state that a monthly stipend of $225.69 would be provided for Public Utilities Commission (PUC) employees working at Hetch Hetchy and Recreation and Park employees assigned to Camp Mather, who are enrolled in City Health Plan #1, if they have two or more dependents and reside in a designated area where HMO's are not available. The $225.690 stipend would be increased to $305.44 monthly under the proposed FY 2003-2004 Interim AAO.

  In addition, the monthly stipend for employees residing in designated zip code areas enrolled in the Health Services Systems with employee plus one dependent where HMOs are not available and such employees are limited to enrollment to City Plan I would be increased from $120 per month to $142.65 per month.

- **Section 2.3** would be added to provide that employees who contributed 2.75 percent of their retirement contributions in FY 2002-2003 and retired during that year, would be reimbursed the amount of their retirement contributions up to the date of their retirement.

- **Section 2.4 Supplementation of Military Pay** City employees who are called into active duty on or after September 11, 2001 would receive pay benefits consistent with a prior amendment to the FY 2002-2003 Annual Salary ordinance adopted by the Board of Supervisors (File 02-1808, Ordinance 231-02, adopted by the Board of Supervisors November 25, 2002) for FY 2003-2004, in accordance with the provisions set forth in Attachment II.

- **Section 3, Explanation of Position Symbols**, adds new position symbols and prior symbols and position indicators.

10. In past years, the Mayor's recommended Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance have, in general, been routinely approved by the Board of Supervisors, with the exception of new positions and new programs, capital improvements and equipment, as noted above.

11. In accordance with the Fiscal Year 2003-2004 Budget Calendar, the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance are scheduled to be passed on first reading at the June 17, 2003 meeting of the Board of Supervisors. Final passage of these ordinances is scheduled for June 24, 2003.

12. The Budget Analyst has previously been advised by Mr. Burke Delventhal of the City Attorney's Office that the Board of Supervisors is required to approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance

(and therefore the Interim Budget). Mr. Delventhal has further advised the Budget Analyst that if these ordinances are not approved by the Board of Supervisors by June 30, the Controller will no longer have authority to issue payroll warrants to City and County employees or to issue other warrants to pay for any other City and County services.

Mr. Harrington has previously advised the Budget Analyst that he concurs with the opinion of Mr. Delventhal. The Controller would cease to issue any further City and County warrants unless the Board of Supervisors approves an Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (the Interim Budget) by June 30.

13. The Mayor's Office has recommended the exceptions to the FY 2003-2004 Interim Annual Appropriation Ordinance as shown in Attachment III to this report, for the following departments: Asian Art Museum, Public Library, Police Department, Port, Public Utilities Commission, the Department of Elections and the War Memorial. All of these recommended exceptions, with the exception of the Port, are to create full year positions in order to place employees who would be laid off by positions eliminated in other departmental budgets. The Budget Analyst's review of these requested interim exceptions are itemized below.

Department	Class	Job Class Title	FTE	Salary
Asian Art Museum				
ASIAN ART MUS-GEN FD-EXP	3302	VENDOR	2.00	$74,385
Total			2.00	$74,385

Explanation: These two new vendor positions have been recommended by the Mayor to create replacements positions for Recreation and Park Department Swimming Pool Cashiers that have been laid off. The pending SEIU MOU for FY 2003-2004 includes a jobs preservation program that requires that Swimming Pool Cashier employees be rehired. These positions are a General Fund cost.

Recommendation: The proposed interim exception is a policy matter for the Board of Supervisors because they resulted from MOU provisions which have not yet been approved by the Board of Supervisors.

Department	Class	Job Class Title	FTE	Salary
Public Library				
MAINTENANCE/OPERATIONS	2708	CUSTODIAN	1.00	$43,691
Total			1.00	$43,691

Explanation:

This new custodian position has been recommended by the Mayor to create a replacement position for existing City employees that will be laid off effective July 1, 2003. The Public Library proposes to use this new custodian at their 45,000 square foot Support Services Center building located at 9th and Howard Streets, which was purchased in FY 2002-2003 with Branch Library Bond Program funds. During FY 2002-2003, the Employee Relations Division used this space for employee negotiations and the Public Library redirected existing custodian staff to this building. The Public Library anticipates construction activities beginning this Summer on the Support Services Center to accommodate moving the Library's technical, support and administrative functions from the Main Library into this building in March of 2004.

Recommendation: Approval of the proposed interim exceptions is a policy matter for the Board of Supervisors because the position is being proposed to create a full year position for an employee layoff.

Department	Class	Job Class Title	FTE	Salary
Police				
FIELD OPERATIONS	1806	SENIOR STATISTICIAN	1.00	$79,004
OPERATIONAL SUPPORT DEPT	1804	STATISTICIAN	1.00	$61,898
OPERATIONAL SUPPORT DEPT	1806	SENIOR STATISTICIAN	1.00	$79,007
OPERATIONAL SUPPORT DEPT	2992	CONTRACT COMPLIANCE OFF I	1.00	$75,975
Total			4.00	$295,884

Explanation:
According to the Mayor's Office, these four positions are being recommended for full year funding to begin implementation of the Police Department's Civilianization program for FY 2003-2004. The Mayor's Recommended FY 2003-2004 budget recommends the creation of ten new miscellaneous positions for the Civilianization Program. The Mayor's recommended budget also has provided funding for hiring 40 new Police Officers, while expected attrition is estimated to be 90 Police Officers in FY 2003-2004.

According to the Mayor's Office, the two 1806 Senior Statisticians and one 1804 Statistician positions will be laid off from the Municipal Transportation Authority and the 2992 Contract Compliance Officer I is being laid off from the Airport.

As of the writing of this report, the Budget Analyst has not reviewed in detail the Police Department's Civilianization proposal or its justification for the new positions identified above.

Recommendation: The proposed interim exceptions are a policy matter for the Board of Supervisors because they are being proposed to create full year positions for employee layoffs.

Department	Class	Job Class Title	FTE	Salary
Port				
ENGINEERING - PROJECT	3417	GARDENER	1.00	$49,986
Total			1.00	$49,986

Explanation:
This position, to be funded by private sources through the Redevelopment Agency, would be responsible for the daily maintenance of Rincon Park. The Gardener was hired in March of 2002 on a requisition that had been Tx'd from a vacant 9354 Elevator and Crane Technician position. Because the Gardener was hired in FY 2002-2003 to coincide with the opening of the park, the position was budgeted in the Port's FY 2003-2004 budget at 1.00 FTE.

Recommendation: Approve the proposed interim exception.

Department	Class	Job Class Title	FTE	Salary
Public Utilities Commission				
ADMIN-PROJECT OPERAT	7344	CARPENTER	2.00	$133,358
PUC GENERAL MANAGER	0954	DEPUTY DIRECTOR IV	1.00	146,222
PUC GENERAL MANAGER	1452	EXECUTIVE SECRETARY II	1.00	62,120
PUC GENERAL MANAGER	5408	COORDINATOR OF CITIZEN INVOLVEMENT	4.00	347,936
PUC-GM-COMMUNICATIONS	1312	PUBLIC INFORMATION OFFICER	2.00	119,524
PUC-GM-COMMUNICATIONS	1314	PUBLIC RELATIONS OFFICER	2.00	141,931
PUC-GM-COMMUNICATIONS	AC45	CIP OUTREACH COORDINATOR	2.00	129,532
UEB-ADMIN-PERSONNEL FUND	1824	PRINCIPAL ADMIN ANALYST	1.00	90,023
UEB-ADMIN-PERSONNEL FUND	5162	PROGRAM MANAGER III	2.00	259,956
UEB-ADMIN-PERSONNEL FUND	5203	ASSISTANT ENGINEER	8.00	589,945
UEB-ADMIN-PERSONNEL FUND	5211	SENIOR ENGINEER	4.00	464,054
AGM INFRASTRUCTURE-PERS FUND	1452	EXECUTIVE SECRETARY II	1.00	62,120
UEB-CIP-PERSONNEL FUND	0933	MANAGER VI	1.00	119,498
UEB-CIP-PERSONNEL FUND	1426	SENIOR CLERK TYPIST	1.00	47,867
UEB-CIP-PERSONNEL FUND	1446	SECRETARY II	2.00	105,533
UEB-CIP-PERSONNEL FUND	1446	SECRETARY II	1.00	52,668
UEB-CIP-PERSONNEL FUND	1450	EXECUTIVE SECRETARY I	1.00	57,482
UEB-CIP-PERSONNEL FUND	1452	EXECUTIVE SECRETARY II	1.00	62,120
UEB-CIP-PERSONNEL FUND	1824	PRINCIPAL ADMINISTRATIVE ANALYST	2.00	180,046

Department	Class	Job Class Title	FTE	Salary
UEB-CIP-PERSONNEL FUND	1844	SENIOR MANAGEMENT ASSISTANT	1.00	71,578
UEB-CIP-PERSONNEL FUND	5203	ASSISTANT ENGINEER	1.00	72,993
UEB-CIP-PERSONNEL FUND	5207	ASSOCIATE ENGINEER	2.00	173,129
UEB-CIP-PERSONNEL FUND	5211	SENIOR ENGINEER	1.00	116,013
UEB-CIP-PERSONNEL FUND	5241	ENGINEER	5.00	501,206
UEB-CIP-PERSONNEL FUND	5381	STUDENT DESIGN TRAINEE II/ARCHITECTURE	1.00	42,863
UEB-CIP-PERSONNEL FUND	5382	STUDENT DESIGN TRAINEE III/ARCHITECTURE	1.00	44,933
PUC-PERSONNEL	1241	PERSONNEL ANALYST	1.00	68,093
PUC-PERSONNEL	1244	SENIOR PERSONNEL ANALYST	1.00	79,674
PUC-PERSONNEL	1446	SECRETARY II	1.00	52,766
PUC-PERSONNEL	1827	ADMINISTRATIVE SERVICES MANAGER	1.00	78,521
PUC-HEALTH AND SAFETY	6138	INDUSTRIAL HYGIENIST	1.00	90,468
PUC-WATER QUALITY-ADMIN-CITY	1406	SENIOR CLERK	1.00	43,544
PUC ADMINISTRATION	1688	CHIEF AUDITOR	1.00	95,184
PUC ADMINISTRATION	1824	PRINCIPAL ADMINISTRATIVE ANALYST	1.00	90,023
ACCOUNTING	1054	BUS ANALYST-PRINCIPAL	1.00	98,747
ACCOUNTING	1652	SENIOR ACCOUNTANT	1.00	52,138
ACCOUNTING	1654	PRINCIPAL ACCOUNTANT	2.00	146,720
ACCOUNTING	1675	SUPERVISING FISCAL OFFICER	1.00	101,472
ACCOUNTING	1675	SUPERVISING FISCAL OFFICER	1.00	101,472
ACCOUNTING	1824	PRINCIPAL ADMINISTRATIVE ANALYST	2.00	180,046
BUREAU MIS ADMINISTRATION	1043	ENGINEER-SENIOR	2.00	202,368
BUREAU MIS ADMINISTRATION	1043	ENGINEER-SENIOR	1.00	101,184
BUREAU MIS ADMINISTRATION	1053	BUSINESS ANALYST-SENIOR	1.00	85,307
BUREAU MIS ADMINISTRATION	1054	BUS ANALYST-PRINCIPAL	1.00	98,747
BUREAU MIS ADMINISTRATION	1054	BUS ANALYST-PRINCIPAL	1.00	98,747
BUREAU MIS ADMINISTRATION	1054	BUS ANALYST-PRINCIPAL	1.00	98,747
BUREAU MIS ADMINISTRATION	1054	BUS ANALYST-PRINCIPAL	1.00	98,747
UNALLOCATED-SURB EXP	2708	CUSTODIAN	1.00	43,858
Total			76.00	$ 6,301,223

Explanation:
The Public Utilities Commission is implementing its $3.6 billion Capital Improvement Plan (CIP) to improve its Water Enterprise and needs to begin the program as soon as possible. Therefore, we are recommending approval of 40 positions to assist in implementing the CIP.

The Mayor's Office has requested that 28 positions be exempted from the normal procedure of funding new positions for nine months in order to prevent lay-offs of existing City employees. Therefore, we are recommending approval of 28 positions to assist in that process.

Recommendation: Disapprove the following proposed interim exceptions for new positions recommended by the Mayor as Technical Adjustments. The Budget Committee accepted the Budget Analyst's recommendation to disapprove these positions on June 5, 2003.

	No. of Positions
1314 BCR Public Relations Officer	1
AC45 CIP Outreach Coordinator	1
Total	2

The Budget Analyst recommends that the remaining interim exceptions, as shown on pages 10 and 11 of this report, for the Public Utilities Commission be approved based on the approval of the new positions by the Budget Committee at its meeting of June 5, 2003.

Department	Class	Job Class Title	FTE	Salary
Department of Elections				
REGIS VOTERS-EXP	1402	JUNIOR CLERK	1.00	$38,471
REGIS VOTERS-EXP	1404	CLERK	1.00	41,838
Total			2.00	$80,309

Explanation: These two new positions have been recommended by the Mayor to create replacement positions for existing City employees that will be laid off in other City departments effective July 1, 2003. As shown in Attachment IV, the Department of Elections advises that they do not require the proposed interim exceptions. Instead, as discussed in Attachment IV, the Department of Elections has now assumed the Human Resources functions from the Department of Administrative Services and is currently working with the Department of Human Resources (DHR) to identify the required permanent positions that are needed for the Department of Elections.

The Department of Elections advises they would prefer to replace the requested 1402 Junior Clerk and 1404 Clerk positions recommended by the Mayor with one 1471 Elections Worker, resulting in an estimated $32,131 savings. The Budget Analyst will analyze this specific request as part of the overall budget review for the Department. (See Attachment IV)

Recommendation: Since the Mayor is recommending these two positions be created to provide positions for laid off employees from other City departments, the Budget Analyst considers approval of the proposed interim exception to be a policy matter for the Board of Supervisors. However, as noted above, the Department of Elections advises that they do not require the proposed two new positions at this time.

Department	Class	Job Class Title	FTE	Salary
War Memorial				
WAR MEM-GEN DIV-EXP	2708	CUSTODIAN	2.00	$87,383
Total			2.00	$87,383

Explanation: These two new custodial positions have been recommended by the Mayor to create replacements positions for employees that will be laid off. The War Memorial proposes to use the new positions to increase each of the Opera House/Veterans Building and Davies Symphony Hall/Zellerbach Rehearsal Hall custodial crews by one position. These are the first custodial position increases since 1985, according to the War Memorial. These additional positions will fill current custodial shift shortages, and better enable the department to meet service obligations to tenants, building occupants, and the public.

Recommendation: The proposed interim exceptions are a policy matter for the Board of Supervisors because they resulted from MOU provisions.

Recommendations

1. Amend the Administrative Provisions of the Annual Appropriation Ordinance by inserting the following language:

Section 28 – Airport Projects

Section 28.1 Runway Reconfiguration Program:

"No monies are appropriated in this Ordinance for the Airport's Runway Reconfiguration Program. The Airport is directed that no new funds shall be spent by the Airport to continue work on the Airport's Runway Reconfiguration Program or any similar program for expansion of runways. San Francisco Administrative Code Section 10.08-2 provides that City officers shall be personally liable for approving, allowing or making unauthorized expenditures. The Controller shall notify the Airport Commission and the Airport Director of Section 28 of the Annual Appropriation Ordinance and Section 10.08-2 of the Administrative Code."

Section 28.2 San Francisco Enterprises:

"No monies are appropriated in this Ordinance for the Airport's San Francisco Enterprises venture. The Airport is directed that no new funds shall be spent by the Airport to continue San Francisco Enterprises or any similar international services. San Francisco Administrative Code Section 10.08-2 provides that City officers shall be personally liable for approving, allowing or making unauthorized expenditures. The Controller shall notify the Airport Commission and the Airport Director of Section 28 of the Annual Appropriation Ordinance and Section 10.08-2 of the Administrative Code."

2. The Budget Analyst recommends that the request to amend the Interim Annual Appropriation Ordinance to grant an exceptions for new positions in the Port's FY 2003-2004 budget be approved.

3. The Budget Analyst recommends that the proposed interim exceptions for the Public Utilities Commission be amended as follows:

Disapprove the following proposed interim exceptions. The Budget Committee has accepted the Budget Analyst's recommendation to disapprove the following positions on June 5, 2003.

	No. of Positions
1314 BCR Public Relations Officer	1
AC45 CIP Outreach Coordinator	1
Total	2

The Budget Analyst recommends that the remaining interim exceptions for the Public Utilities Commission be approved based on the approval of the new positions by the Budget Committee at its meeting of June 5, 2003.

4. The Budget Analyst considers approval of the remaining proposed interim exceptions for the Asian Art Museum, the Public Library, the Police Department, the Department of Elections and the War Memorial to be a policy matter for the Budget Committee, because they have been proposed by the Mayor to provide full year funding for positions that can be used to employ employees laid off from other City Departments.

5. Approve Item 5, File 03-0784, the Interim Annual Appropriation Ordinance, as amended.

6. Approve Item 6, File 03-0785, the Interim Annual Salary Ordinance.

7. Approve Item 8, File 03-0984, the Interim Redevelopment Agency Budget.

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Maxwell
Supervisor Ma
President Gonzalez
Supervisor Ammiano
Supervisor Dufty
Supervisor Hall
Supervisor McGoldrick
Supervisor Newson
Supervisor Sandoval
Clerk of the Board
Controller
Ted Lakey
Ben Rosenfield

SECTION 4. Interim Budget Provisions.

Language Changed

When the Budget Committee ~~has reserved~~ reserves selected expenditure items pending receipt of additional information from departments, upon receipt of the required information to the satisfaction of the Finance ~~Budget~~ Committee, ~~or after the Budge Committee has concluded their meetings, of the Finance Committee,~~ the Controller may release the previously reserved funds with no further action required by the Board of Supervisors.

New Language Inserted

If the Budget Committee of the Board of Supervisors recommends a budget that increases funding that was deleted in the Mayor's Budget, the Controller shall have the authority to continue to pay these expenses until final passage of the budget by the Board of Supervisors, and approval of the budget by the Mayor.

SECTION 4.1 Interim Budget – Positions.

Language Deleted

Notwithstanding any other provision of this ordinance, during the interim period, there shall be no eliminations of permanent positions, where such elimination results in a layoff of an employee, authorized for the Fiscal Year ending June 30, 2002, and there shall be no reductions in funding for such positions, except where such positions are specifically eliminated by a separate act of the Board of Supervisors.

New language Inserted

If the Budget Committee of the Board of Supervisors recommends a budget that reinstates positions that were deleted in the Mayor's Budget, the Controller and the Director of Human Resources shall have the authority to continue to employ and pay the salaries of the reinstated positions until final passage of the budget by the Board of Supervisors, and approval of the budget by the Mayor.

SECTION 5. Transfers of Functions and Duties.

New Language Inserted

The following transfers of city functions will occur in FY 2003-2004:

- Fingerprint technicians at the intake and release center at County Jail #9 currently in the Police Department shall be transferred to the Sheriff's Department.
- Responsibility for the transfer of arrested persons from police stations to the county jail currently performed by the Sheriff's Department shall be transferred to the Police Department.
- Welfare fraud investigative functions currently performed by the District Attorney shall be transferred to the Department of Human Services.

SECTION 11.12 Stadia Development.

Any funds the Board of Supervisors appropriates for the planning and development of a new sports stadium or complex or the renovation of existing stadia may be set aside in a separate interest bearing account by the Controller. Any balance remaining in this account at the close of a fiscal year shall be deemed to have been provided for a specific purpose and may be carried forward and accumulated for the purposes appropriated. Expenditures from this account shall be subject to the budget and fiscal provisions of the Charter.

New Language Inserted

Prior Year Naming Rights Revenue – Funds previously dedicated per Ordinance 236-96 may be appropriated to meet maintenance and operating costs of Candlestick Park.

Language Deleted and Inserted

SECTION 11.13 Hotel Tax – Low Cost Housing.

Hotel tax receipts allocated to the Yerba Buena Center Redevelopment Project are hereby appropriated to the ~~Administrative Services Department~~ Mayor's Office of Housing for supplements for low-income households, for use in facilitating the production of low-income housing in Yerba Buena Center Redevelopment Project area and on certain parcels adjacent thereto, for the preparation of architectural plans, engineering studies, and for such other further expenses related to the construction and completion of a convention center-sports arena in accordance with the provisions of Section 515.01(b)(3)~~(3) of Part III~~ of the San Francisco Business and Tax Regulations Code; provided, however , that the Hotel Tax receipts for Fiscal Year 2003-2004 allocated for low income handicapped and senior housing in the Yerba Buena Center area pursuant to Business and Tax Regulations Code Section 515.01(b)(3)(F) shall instead be appropriated to the General Fund if the Redevelopment Agency budget contains appropriations sufficient to make the required allocation from other funding sources. ~~Municipal Code. The Head of the Administrative Services Department shall, before July 1st transmit to the Board of Supervisors a program budget for the next fiscal year and each quarter to the Board of Supervisors on the amount expended for the items set forth above.~~

Language Deleted

SECTION 13. Emergency Reserve Fund.

No ordinance appropriating moneys from the Emergency Reserve Fund shall be passed by the Board of Supervisors unless an actual emergency shall exist within the meaning of Section 2.107 of the Charter and the emergency is specifically stated and defined in such ordinance.

Moneys that are appropriated during the fiscal year from the Emergency Reserve Fund to departments, offices and funds shall be construed only as estimates of such requirements. The Controller shall, upon the determination of the actual requirement, return to the Emergency Reserve Fund that portion of the appropriation which is not actually required for the stated emergency.

New Language Inserted

SECTION 13. Repeal of Emergency Reserve Fund.

Administrative Code Section 10.03, creating the Emergency Reserve Fund, is hereby repealed in its entirety. Monies currently in the fund shall be transferred to the General Fund and may be appropriated for any lawful municipal purpose.

NOTE: Administrative Code Section 10.03 reads as follows:

> SEC. 10.03. EMERGENCY RESERVE FUND.
> An emergency reserve fund is hereby created, for the purposes of meeting any emergency as defined in Sections 2.107 or 3.100 of the Charter. Appropriations from such emergency reserve fund shall be made only on the recommendation of the department head concerned and the recommendation of the Mayor to the Board of Supervisors that such appropriation be made, and the vote of ¾ of the Board of Supervisors.
> The balance in said emergency reserve fund at the end of any fiscal year shall be maintained and carried forward in said fund. (Added by Ord. 277-96, App. 7/3/96; amended by Ord. 313-00, File No. 001908, App. 12/28/2000)

The current balance of the Emergency Reserve Fund is $4,198,046.

SECTION 15. Departments.

New Language Inserted

(b) The Public Utilities Commission shall be considered one entity for budget purposes and for disbursement of funds within each of the enterprises. The entity shall retain its enterprises, including Water, Hetch Hetchy, Cleanwater, and Public Utilities Commission as separate departments, with the authority provided to departments under the Charter.

(c) The Municipal Transportation Agency shall be considered one entity for budget purposes and for disbursement of funds within the Agency. However, the agency shall retain two separate departments, including the Municipal Railway and the Department of Parking and Traffic, with the authority provided to separate departments under the Charter.

Language Deleted

SECTION 24. Minimum Compensation/Healthcare Accountability Ordinance.

The Mayor's FY 2002-03 budget includes funds in General City Responsibilities for the implementation costs of the Minimum Compensation and Healthcare Accountability ordinances. The Controller is hereby authorized to reallocate appropriation authority from General City Responsibilities to specific City departments for necessary cost increases by non-profit service providers to comply with these ordinances.

Section 25 – Language Deleted and Inserted

SECTION 25. Municipal Transportation Authority Fare and Pass Policies.
In accordance with Charter Section 8A.106 and 8A.108, the Board of Supervisors hereby approves the following changes in fare and pass policies for the Municipal Railway for fiscal year 2003-2004. These changes have been adopted by resolution of the Municipal Transportation Agency Board:

(a) **New Years' Eve Service.** The Municipal Railway Department is authorized to waive fares on New Years' Eve 2003 between 8 PM on December 31, 2003 and 6AM January 1, 2004.
(b) **Class Pass Program.** The Municipal Railway is authorized to continue the Class Pass program with all colleges and universities in San Francisco during FY 2003-04.
(c) **Short-Term Experimental Fares**. The Municipal Railway is authorized to implement short-term experimental fares in order to respond effectively to community requests.
(d) **Fixed Route and Paratransit Fares.** The Municipal Railway is authorized to implement the following fixed route and paratransit fares effective on or before September 1, 2003:

~~**Uniform Transfer/Fare Receipt Policy on Municipal Railway Vehicles.** The Municipal Railway is authorized to establish a Transfer/Fare Receipt Policy that states a transfer shall be valid for travel on any vehicle except cable cars for at least 90 minutes, but no more than 2 hours after the time originally issued, and shall not be required to be surrendered to the operator of the vehicle.~~

Fixed Route Fares

Fare Category	Current	Proposed
Adult Cash Fare	$1.00	$1.25
Discount Cash Fare (Senior and Disabled)	$0.35	$0.35
Youth Cash Fare	$0.35	$0.35
Adult Monthly Pass	$35.00	$45.00
Discount Monthly Pass (Senior and Disabled)	$8.00	$10.00
Youth Monthly Pass	$8.00	$10.00
Monthly Pass for General Assistance Recipients	$35.00	$35.00
Weekly Pass	$9.00	$12.00
Cable Car Cash	$2.00	$3.00
Cable Car All-Day Pass	$6.00	$9.00
One-Day Passport	$6.00	$9.00
Three-Day Passport	$10.00	$15.00
Seven-Day Passport	$15.00	$20.00
Tokens (Pack of 10)	$8.00	$10.50

Weekly Pass cable car surcharge	$1.00	$1.00
Special cable car fare for seniors and disabled from 9:00PM to 7:00AM	$1.00	$1.00
Interagency agreements—monthly stickers equivalent to a Fast Pass (excludes BART)	AC Transit $28 Golden Gate $28 SamTrans $28 Vallejo Ferry $200 combined	$35.00

BART-to-Muni transfer	$1.00 for round-trip ticket on Muni to/from BART	$1.00 each way with transfer ticket
Class Pass (monthly)	$12.00	$15.00
City Pass – Adult	$33.25	$44.25
City Pass – Discount	$26.25	$35.00
City Pass – Youth	$24.25	$32.25
Special event service (adult round-trip)	$5.00 or a pass + $2.00	$6.00 or a pass + $3.00
Special event service (discount round-trip)	$3.00 or a pass + $2.00	$4.00 or a pass + $3.00

Paratransit Fares

Mode	Current	**Proposed**
Lift Van	$8.00 for monthly pass or $0.40 per trip	$10.00 for monthly pass or $0.40 per trip
Group Van	$8.00 per month per average daily attendee	$10.00 per month per average daily attendee
Taxi	$3.00 per $30 book of scrip	$4.00 per $30 book of scrip
ADA Access	$1.65	$1.65

Language Deleted

SECTION 27. Use of Funds in Fiscal Year 2002-2003 Annual Budget

(a) Airport Medical Clinic
Funding in the amount of $350,000 designated by the Board of Supervisors for the Airport Medical Clinic in FY 2002-2003 shall be used exclusively for adding hours and staff to the Airport Medical Clinic, and shall not be expended for any other purposes.

(b) Children's Fund
It is intended that the $4,134,101 appropriated from the Children's Fund prior year unreserved fund balance in the FY 2002-2003 budget to prevent service cuts in programs previously funded by the General Fund shall be a one-time use of such funds.

New Language Added

Section 26. Transfer of State Realignment Revenues.

The Controller is authorized to transfer revenues among City departments to comply with State Realignment Programs approved in the State budget.

Section 27. Use of Permit Revenues from the Department of Building Inspection.

Permit revenue funds from the Department of Building Inspection that are transferred to the Department of City Planning, Department of Public Health, Department of the Environment, and Fire Department as shown in this budget shall be used only to fund the planning, regulatory, enforcement and building design activities that have a demonstrated nexus with the projects that produce the fee revenues.

SECTION 2. COMPENSATION PROVISIONS

Section 2.1 PUC EMPLOYEES ASSIGNED TO HETCH HETCHY AND RECREATION AND PARK EMPLOYEES PERMANENTLY ASSIGNED TO CAMP MATHER.

~~The Public Utilities Commission and Recreation and Park department will pay a stipend of $255.69 per month to employees residing in designated zip code areas enrolled in the Health Services System with employee plus two or more dependents where HMOs are not available and such employees are limited to enrollment to City Plan I.~~
~~The Public Utilities Commission will pay a stipend of $120 per month to employees residing in designated zip code areas enrolled in the Health Services Systems with employee plus one dependent where HMOs are not available and such employees are limited to enrollment to City Plan I.~~

The Public Utilities Commission and Recreation and Park Department will pay a stipend of $305.44 per month to employees residing in designated zip code areas enrolled in the Health Services System with employee plus two or more dependents where HMOs are not available and such employees are limited to enrollment to the City Plan I. The Public Utilities Commission will pay a stipend of $142.65 per month to employees residing in designated zip code areas enrolled in the Health Services System with employee plus one dependent where HMOs are not available and such employees are limited to enrollment to City Plan I. The City reserves the right to either reimburse the affected employees or provide an equivalent amount directly to the Health Services System.

Section 2.2 MOVING EXPENSES

Where needed to address problems recruiting employees to fill positions that are exempt under San Francisco Charter section 10.104(5), (6), and (7), an appointing authority may authorize reimbursement of post-offer, pre-employment expenses, such as moving and other relocation costs, not to exceed $10,000. Reimbursement will be made for actual expenses documented by receipts. Payments under this section are subject to a Controller's certification of available funds, and confirmation by the Department of Human Resources that the requested reimbursement is within accepted industry standards and practices.

Section 2.3 2002-2003 2.75% RETIREMENT CONTRIBUTION REIMBURSEMENT

Employees who receive a monthly benefit allowance from the Retirement System with an effective starting date between July 1, 2002 and June 30, 2003 and whom were represented by a union that agreed to amend its MOU in 2002-2003 to provide for employees to contribute to the retirement system an amount equal to 2.75% of their gross covered salary, shall be reimbursed that portion of the 2.75% retirement contribution actually paid up to the date of their retirement. Repayment will occur on or before October 1, 2003.

Section 2.4 SUPPLEMENTATION OF MILITARY PAY

A. In accordance with Charter Section A8.400 (h) and in addition to the benefits provided pursuant to Section 395.01 and 395.02 of the California Military and Veterans Code and the Civil Service Rules, any City officer or employee who is a member of the reserve corps of the United States Armed Forces, National Guard or other uniformed service organization of the United States and is called into active military service on or after September 11th, 2001 in response to the September 11th, 2001 terrorist attacks, international terrorism, conflict In

Iraq or related extraordinary circumstances shall have the benefits provided for in subdivision (B).

B. Any officer or employee to whom subdivision (A) applies, while on military leave shall receive from the City, for a period not to exceed 180 calendar days from the effective date of this ordinance, the following supplement to their military pay and benefits:

1. The difference between the amount of the individual's gross military pay and the amount of gross pay the individual would have received as a city officer or employee, had the officer or employee worked his or her normal work schedule.
2. Retirement service credit consistent with section A8.520 of the Charter. The City shall pay the full employee contributions required by the Charter to the extent employer paid employee contributions are required under the memorandum of understanding covering the employee.
3. All other benefits to which the individual would have been entitled had the individual not been called to active duty, except as limited under state law or the Charter.

B. As set forth in Charter Section A8.400 (h), this section shall be subject to the following limitations and conditions:

1. The individual must have been called into active service for a period greater than 30 consecutive days.
2. The purpose for such call to active service shall have been to respond to the September 11th, 2001 terrorist attacks, international terrorism, conflict in Iraq or related extraordinary circumstances and shall not include scheduled training, drills, unit training assemblies or similar events.
3. The amounts authorized pursuant to this ordinance shall be offset by amounts required to be paid pursuant to any other law in order that there be no double payments.
4. Any individual receiving compensation pursuant to this ordinance shall execute an agreement providing that if the individual does not return to City service within 60 days of release from active duty (or if the individual is not fit for employment at that time, within 60 days of a determination that the employee is fit for employment), then that compensation described in Sections (B)(1) through (B)(3) shall be treated as a loan payable with interest at a rate equal to the greater of (i) the rate received for the concurrent period by the Treasurer's Pooled Cash Account or (ii) the minimum amount necessary to avoid imputed income under the Internal Revenue Code of 1986, as amended from time to time, and any successor statute. Such loan shall be payable in equal monthly installments over a period not to exceed 5 years, commencing 90 days after the individual's release from active service or return to fitness for employment, as the case may be.
5. This section shall not apply to any active duty served voluntarily after the time that the individual is called to active service.
6. This section shall not be retroactive.

SECTION 3. EXPLANATION OF SYMBOLS.
The following symbols used in connection with the rates fixed herein have the significance and meaning indicated.

B. Biweekly.
C. Contract rate.
D. Daily.
E. Salary fixed by Charter.
F. Salary fixed by State law.
G. Salary adjusted pursuant to ratified Memorandum of Understanding.
H. Hourly.
I. Intermittent.
J. Rate set forth in budget.
K. Salary based on disability transfer.
L. Salary paid by City and County and balance paid by State.
M. Monthly.
O. No funds provided.
P. Premium rate.
Q. At rate set under Charter Section A8.405 according to prior service.
W. Weekly.
Y. Yearly.

~~Section 3.1 EXPLANATION OF SYMBOLS~~
~~The following symbols appear under the column heading 'Symbols'.~~

~~L. Compensatory time off accumulation limited to 480 hours calculated at time and one half.~~
~~SC. Subject to classification by Human Resources Department.~~
~~TC. Temporary classification used for grant funded positions.~~
~~Z. Compensatory time off in lieu of overtime payment.~~

~~Section 3.2. EXPLANATION OF POSITION INDICATORS.~~

~~The following symbols appearing between the class number and the class title define positions as follows:~~

~~Code Description~~

~~A. Regular Existing. Regularly budgeted position which exists in the current fiscal year.~~

~~C. Continuing. Used to indicate annualization (full year funding) of a FTE that was added for a partial year in the previous budget.~~

~~E. Disability Transfer (existing). Formerly coded "Disability Transfer," used for individuals who change classifications after a disabling injury; rate of pay may not be higher than former position.~~

~~G. Grant Funded. Position funded by recurring grant revenues.~~

~~GN. Grant Funded - New Position. Newly requested position which is funded by recurring grant revenues.~~

~~GR. Grant Funded - Reassigned Position. Position funded by recurring grant revenues and reassigned from one cost center to another.~~

~~H. Transition from Grant to General Fund. Position which was grant funded last year but will be funded from the General Fund in the new year.~~

~~HR. Transition from Grant to General Fund - Reassigned. Reassigned position which was grant funded last year but will be funded from the General Fund in the new year.~~

~~L. Limited Duration Position. Position with a definite duration or life, e.g., bond fund projects (even if the duration is several years).~~

~~LS. Limited Duration - Substituted. Position with a definite duration or life which is traded for another position, e.g., bond fund projects (even if the duration is several years).~~

~~N. New Position. Newly requested general fund position.~~

~~O. Non-Operating Budget (existing). Non-operating budgeted position typically funded from bond proceeds. These positions are excluded in position count reports for the City's operating budget.~~

~~OG. Non-Operating Budget - Grant Funded. Non-operating budgeted position funded typically by non-recurring grants revenues. These positions are excluded in position count reports for the City's operating budget.~~

~~ON. Non-Operating Budget - New Position. Newly requested non-operating budgeted position typically funded from bond proceeds. These positions are excluded in position count reports for the City's operating budget.~~

~~OR. Non-Operating Budget - Reassigned Position. Reassigned non-operating budgeted position typically funded from bond proceeds. These positions are excluded in position count reports for the City's operating budget.~~

~~OS. Non-Operating Budget - Proposed Substitution. Substituted non-operating budgeted position typically funded from bond proceeds. Position proposed to be traded or reclassified for another position in the new year. These positions are excluded in position count reports for the City's operating budget.~~

~~OT. Non-Operating Budget - Substituted. Substituted non-operating budgeted position typically funded from bond proceeds to be included herein. Substituted position classified in prior fiscal year. These positions are excluded in position count reports for the City's operating budget.~~

~~Q. New (Second Six-Months). New position approved through supplemental appropriation in the second six months of the prior fiscal year.~~

~~R. Reassignment. Position reassigned from one cost center to another.~~

~~S. Substitution - Proposed. Position proposed to be traded or reclassified for another position in the new year.~~

~~T. Substitution - Existing. Substituted position classified in prior fiscal year.~~

Attachment III
Page 1 of 3

OFFICE OF THE MAYOR
SAN FRANCISCO

WILLIE L. BROWN, JR.

June 2, 2003

Honorable Matt Gonzalez
President
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear President Gonzalez:

I hereby request that the Board of Supervisors consider the following exceptions to the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance for 2003-2004. I ask that the Board authorize 88 FTE new positions during the interim budget period of July 1, 2003 through July 31, 2003. In prior years, the majority of these positions would have been budgeted with an October 1 start date. I am requesting that they be budgeted at 1.0 FTE, starting on July 1, to help to place people who have been laid off from other city jobs.

In addition to the interim positions to accommodate layoffs, the Public Utilities Commission requests positions, including engineers, analysts and clerical classifications, to start on July 1 to allow the department to begin its capital improvement program as quickly and efficiently as possible. Please refer to the attached spreadsheet for the detail on each position.

If you have any questions regarding this request, please feel free to contact me.

Sincerely,

Ben Rosenfield
Mayor's Budget Director

cc: Honorable Tom Ammiano
Honorable Chris Daly
Honorable Bevan Dufty
Honorable Tony Hall
Honorable Fiona Ma
Honorable Sophie Maxwell
Honorable Jake McGoldrick
Honorable Gavin Newsom
Honorable Aaron Peskin
Honorable Gerardo Sandoval
Ms. Gloria Young, Clerk of the Board of Supervisors
Mr. Harvey Rose, Board of Supervisors' Budget Analyst

1 DR. CARLTON B. GOODLETT PLACE, Room 200 SAN FRANCISCO, CALIFORNIA 94102

RECYCLED PAPER

Interim Exceptions
2003-2004

Dept	Org	Prog	Index	Index Code Title	Proj	Class	Job Class Title	FTE	Rate of Pay
AAM	AAM01	EEI	625002	ASIAN ART MUS-GEN FD-EXP		3302	VENDOR	2.00	$1177B1425
AAM Total								2.00	
LIB	LIB01	EGH	415235	MAINTENANCE/OPERATIONS		2708	CUSTODIAN	1.00	$1381B1674
LIB Total								1.00	
POL	POL0251	ACX	385036	FIELD OPERATIONS		1806	SENIOR STATISTICIAN	1.00	$2466B2997
POL	POL0426	ACM	385030	OPERATIONAL SUPPORT DEPT		1804	STATISTICIAN	1.00	$1932B2348
POL	POL0426	ACM	385030	OPERATIONAL SUPPORT DEPT		1806	SENIOR STATISTICIAN	1.00	$2466B2997
POL	POL0426	ACM	385030	OPERATIONAL SUPPORT DEPT		2992	CONTRACT COMPLIANCE OFFICER I	1.00	$2371B2882
POL Total								4.00	
PRT	PRTAA	BKY	392000	ENGINEERING - PROJECT	PPO10101	3417	GARDENER	1.00	$1565B1899
PRT Total								1.00	
PUC	HHP0201	BCB	326112	ADMIN-PROJECT OPERAT		7344	CARPENTER	2.00	$2094B2545
PUC	PUC0101	BCR	400100	PUC GENERAL MANAGER		0954	DEPUTY DIRECTOR IV	1.00	$4164B5581
PUC	PUC0101	BCR	400100	PUC GENERAL MANAGER		1452	EXECUTIVE SECRETARY II	1.00	$1951B2371
PUC	PUC0101	BCR	400100	PUC GENERAL MANAGER		5408	COORDINATOR OF CITIZEN INVOLVEMENT	4.00	$2732B3320
PUC	PUC0102	BCR	400120	PUC-GM-COMMUNICATIONS		1312	PUBLIC INFORMATION OFFICER	2.00	$1876B2281
PUC	PUC0102	BCR	400120	PUC-GM-COMMUNICATIONS		1314	PUBLIC RELATIONS OFFICER	2.00	$2236B2719
PUC	PUC0102	BCR	400120	PUC-GM-COMMUNICATIONS		AC45	CIP OUTREACH COORDINATOR	2.00	$2033B2472
PUC	PUC0401	BCU	400419	UEB-ADMIN-PERSONNEL FUND		1824	PRINCIPAL ADMINISTRATIVE ANALYST	1.00	$2827B3436
PUC	PUC0401	BCU	400419	UEB-ADMIN-PERSONNEL FUND		5162	PROGRAM MANAGER III	2.00	$4082B4961
PUC	PUC0401	BCU	400419	UEB-ADMIN-PERSONNEL FUND		5203	ASSISTANT ENGINEER	8.00	$2292B2786
PUC	PUC0401	BCU	400419	UEB-ADMIN-PERSONNEL FUND		5211	SENIOR ENGINEER	4.00	$3643B4428
PUC	PUC0401	BCU	400471	AGM INFRASTRUCTURE-PERS FUND		1452	EXECUTIVE SECRETARY II	1.00	$1951B2371
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		0933	MANAGER VI	1.00	$3403B4561
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		1426	SENIOR CLERK TYPIST	1.00	$1506B1827
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		1446	SECRETARY II	2.00	$1658B2014
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		1446	SECRETARY II	1.00	$1658B2014
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		1450	EXECUTIVE SECRETARY I	1.00	$1805B2194
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		1452	EXECUTIVE SECRETARY II	1.00	$1951B2371
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		1824	PRINCIPAL ADMINISTRATIVE ANALYST	2.00	$2827B3436
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		1844	SENIOR MANAGEMENT ASSISTANT	1.00	$2247B2732
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		5203	ASSISTANT ENGINEER	1.00	$2292B2786
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		5207	ASSOCIATE ENGINEER	2.00	$2719B3304
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		5211	SENIOR ENGINEER	1.00	$3643B4428
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		5241	ENGINEER	5.00	$3147B3826
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		5381	STUDENT DESIGN TRAINEE II/ARCHITECTURE	1.00	$1636B1636
PUC	PUC0402	BCU	400415	UEB-CIP-PERSONNEL FUND		5382	STUDENT DESIGN TRAINEE III/ARCHITECTURE	1.00	$1715B1715
PUC	PUC06	BCW	400600	PUC-PERSONNEL		1241	PERSONNEL ANALYST	1.00	$1766B2599
PUC	PUC06	BCW	400600	PUC-PERSONNEL		1244	SENIOR PERSONNEL ANALYST	1.00	$2502B3041
PUC	PUC06	BCW	400600	PUC-PERSONNEL		1446	SECRETARY II	1.00	$1658B2014
PUC	PUC06	BCW	400600	PUC-PERSONNEL		1827	ADMINISTRATIVE SERVICES MANAGER	1.00	$2466B2997
PUC	PUC0903	BCW	400930	PUC-HEALTH AND SAFETY		6138	INDUSTRIAL HYGIENIST	1.00	$2841B3453
PUC	PUC1001	BCD	401010	PUC-WATER QUALITY-ADMIN-CITY		1406	SENIOR CLERK	1.00	$1372B1662
PUC	PUC1101	BCR	401101	PUC BUSINESS SERVICES-ADMINISTRATION		1688	CHIEF AUDITOR	1.00	$2989B3633
PUC	PUC1101	BCR	401101	PUC BUSINESS SERVICES-ADMINISTRATION		1824	PRINCIPAL ADMINISTRATIVE ANALYST	1.00	$2827B3436
PUC	PUC110201	BCT	400210	ACCOUNTING		1054	BUS ANALYST-PRINCIPAL	1.00	$2977B3769
PUC	PUC110201	BCT	400210	ACCOUNTING		1652	SENIOR ACCOUNTANT	1.00	$1638B1990
PUC	PUC110201	BCT	400210	ACCOUNTING		1654	PRINCIPAL ACCOUNTANT	2.00	$2303B2800

Interim Exceptions
2003-2004

Dept	Org	Prog	Index	Index Code Title	Proj	Class	Job Class Title	FTE	Rate of Pay
PUC	PUC110201	BCT	400210	ACCOUNTING		1675	SUPERVISING FISCAL OFFICER.............	1.00	$3189B3873
PUC	PUC110201	BCT	400210	ACCOUNTING		1675	SUPERVISING FISCAL OFFICER.............	1.00	$3189B3873
PUC	PUC110201	BCT	400210	ACCOUNTING		1824	PRINCIPAL ADMINISTRATIVE ANALYST........	2.00	$2827B3436
PUC	PUC110301	BCS	400310	BUREAU MIS ADMINISTRATION		1043	ENGINEER-SENIOR........................	2.00	$3072B3862
PUC	PUC110301	BCS	400310	BUREAU MIS ADMINISTRATION		1043	ENGINEER-SENIOR........................	1.00	$3072B3862
PUC	PUC110301	BCS	400310	BUREAU MIS ADMINISTRATION		1053	BUSINESS ANALYST-SENIOR................	1.00	$2589B3256
PUC	PUC110301	BCS	400310	BUREAU MIS ADMINISTRATION		1054	BUS ANALYST-PRINCIPAL.............	1.00	$2977B3769
PUC	PUC110301	BCS	400310	BUREAU MIS ADMINISTRATION		1054	BUS ANALYST-PRINCIPAL.............	1.00	$2977B3769
PUC	PUC110301	BCS	400310	BUREAU MIS ADMINISTRATION		1054	BUS ANALYST-PRINCIPAL.............	1.00	$2977B3769
PUC	PUC110301	BCS	400310	BUREAU MIS ADMINISTRATION		1054	BUS ANALYST-PRINCIPAL.............	1.00	$2977B3769
PUC	WTR0502	BCG	471308	UNALLOCATED-SURB EXP		2708	CUSTODIAN.............................	1.00	$1381B1674
PUC Total								76.00	
REG	REGAA	FCH	805002	REGIS VOTERS-EXP		1402	JUNIOR CLERK...........................	1.00	$1217B1474
REG	REGAA	FCH	805002	REGIS VOTERS-EXP		1404	CLERK.................................	1.00	$1323B1603
REG Total								2.00	
WAR	WAR01	EED	465006	WAR MEM-GEN DIV-EXP		2708	CUSTODIAN.............................	2.00	$1381B1674
WAR Total								2.00	
Grand Total								89.00	

Attachment IV

DEPARTMENT OF ELECTIONS
City and County of San Francisco

JOHN ARNTZ
Director

June 5, 2003

Ms. Debra Newman
Budget Analyst's Office
San Francisco Board of Supervisors
1390 Market Street – Suite 1025
San Francisco 94102

Dear Ms. Newman: Re Interim Positions

Elections does not have a need for an interim 1402 Junior Clerk or 1404 Clerk. It is not necessary these positions be filled with permanent staff on July 1, 2003. The Department of Elections has recently assumed all our departmental Human Resource functions from The Department of Administrative Services, and we are currently working with The Department of Human Resources on position requirements.

The Department is continuing to develop election specific positions such as the 1403 Election Clerk and 1471 Election Worker classifications. At this time we would like to replace the 1402 Junior Clerk and 1404 Clerk position recommended by the Mayor with one FTE 1471 Elections Worker. This would result in a savings of $32,131.

Sincerely,

Suzanne Berg

SB/gt
file

1 Dr. Carlton B. Goodlett Place – Room 48, San Francisco, CA 94102-4634
Voice (415) 554-4375; Fax (415) 554-7344; Absentee Fax (415) 554-4372; TDD (415) 554-4386

City and County of San Francisco
Meeting Minutes
Budget Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA
94102-4689

Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma and Matt Gonzalez

Clerk: Victor Young

Wednesday, June 11, 2003 **9:00 AM** **Legislative Chambers, Second Floor**

Recessed Meetiing

Members Present: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma, Matt Gonzalez.

DOCUMENTS DEPT.

JUL 2 3 2003

SAN FRANCISCO
PUBLIC LIBRARY

Meeting Reconvened

The June 9, 2003 recessed meeting recovened at 9:07 a.m.

REGULAR AGENDA

030973 **[MOU - Municipal Attorneys' Association]**

Mayor

Ordinance adopting and implementing the mediated agreement establishing the Memorandum of Understanding between the City and County of San Francisco and the Municipal Attorneys' Association to be effective July 1, 2003 through June 30, 2005. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

6/9/03, MEETING RECESSED. Heard in Committee. Speakers: Geoff Rothman, Human Resources; Phil Ginsberg, Deputy City Attorney; Ed Harrington, Controller; Ken Bruce, Budget Analyst's Office; Ted Lakey, Deputy City Attorney

Recessed to June 11, 2003, at 9:00 a.m.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; female speaker; Steve Kawa, Mayor's Office.

Refered without Recommendations.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 4 - Daly, Peskin, Maxwell, Ma
Absent: 1 - Gonzalez

ADJOURNMENT

The meeting adjorned at 7:20 p.m.

City and County of San Francisco
Meeting Minutes
Budget Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma and Matt Gonzalez

Clerk: Victor Young

Wednesday, June 11, 2003 **9:30 AM** **Legislative Chambers, Second Floor**

Special Meeting

Members Present: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma, Matt Gonzalez.

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Meeting Convened

The meeting convened at 9:30 a.m.

REGULAR AGENDA

030112 **[Mayor's Budget Plan]**

Supervisors Peskin, Daly

Hearing to review the Mayor's most recent budget plan, issued in January 2003. This hearing will address the Mayor's current and planned spending changes to address the City's current budget deficit.

1/21/03, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests that this item be heard by the Board of Supervisors' Budget Committee if it is established by President Gonzalez and convenes before February 15, 2003 If a Budget Committee meeting is not scheduled before February 15, 2003, sponsor requests that this hearing be scheduled at the Board's Finance Committee at its meeting on February 5, 2003.

2/5/03, TRANSFERRED to Budget Committee. New committee structure 2/17/03.

2/20/03, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Ben Rosenfield, Mayor's Budget Office; Female Speaker

Continued to February 27, 2003

3/6/03, CONTINUED. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office.

Continued to March 27, 2003.

3/27/03, CONTINUED. Heard in Committee. Speakers: Whit J. Manns, Tenderloin Self-Help Center and Central City Hospitality House; Linda Adams, Tenderloin Self-Help Center; Roger Jones, Tenderloin Self-Center; Francis Terry, Central City Hospitality House; Charles A. Maxwell, Central City Hospitality House; Michael Moore, Central City Hospitality House and Tenderloin Self-Help Center; Dartagnan Hutcherson, Tenderloin Self-Help Center; Yolanda Warren, Tenderloin Self-Help Center; Michael Robinson, Tenderloin Self-Help Center; Charles Carrill, Central City Hospitality House and Tenderloin Self-Help Center; Luther Rickert, Director of Employment Services, Central City Hospitality House (located in Tenderloin Self-Help Center); John Bardis; Edward Evans, Community Resources Action Project; Richard Robinson, Community Awareness Treatment Center; Edward Harrington, Controller; Ben Rosenfield, Mayor's Budget Office.
Continued to 4/3/03 meeting

4/3/03, CONTINUED. Heard in Committee. Speakers: Jackie Jays; male speaker; male speaker; Howard Simms; Ben Rosenfield, Mayor's Budget Office; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

Continued to April 10, 2003.

4/10/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Steve Kawa, Mayor's Office

5/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: male speakers; Francis Kent; Sister Bernie Calvin; Martha Olson; Katie Danielson; Cecelia Valentine; Norman Terra; Danita Lanson; Dr. Joanne Keenie; James Matter; James Beck; Ms. Goodrow; Emily Wilscott; Michelle Castro; Gene Bishop; Ted Trehan; Carol Cansano; Jennifer O'San; Terra Sanker; Mr. Vocher; male speaker; Dave Richmond; Dr. Verna Chapman; Helena Giles; Maryl Bytes; Elizabeth Ware; Jackilyn Freeman; John Bardis; Ms. McNeil; Espinola Jackson; Ed Harrington, Controller; Steve Kawa, Mayor's Office

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spke Kahn, Local 21; Ted Lakey, Deputy City Attorney; Monique Zmuda, Deputy City Controller; Elene Boken; Dave Warner; Nancy Wuerful; Jane Salonow; Richard Zimmerman; David Chan; Richard Montgomery; Mr. Takenhemer; Pat Walker; Ms. Hopps; Lloyd Carlson; Melissa Marris; Evette Simpson; Ronald Solin; Rick Barry; Joan Puppet; Lin Rogers; male speaker; female speaker; female speaker; John Risso; Robert Emery; Steve Doy; Mirineth Straner; Arron Isreal; Bill Wong; Douglas Perrier; Mark Stout; Arnold Thompson; Ossie Asure; Eric Manthis; Andy Gross; Eric Sadic; Eda Sido; John Marks; Jim Chapal, Spur; Lee Mates; Jim Wonderman; Nathan Nayman; Jack Damon; Dan Kuanto; Piedres; Michael Gorenstein; Steve Roseburn; Vic Ay; Silvia Johnson; Tara Houseman; Pescal Surman; Lou Given; Rua Graffis; Jennifer Jackson; male speaker: Brian West; David Lewis; Wendy Stiff; Curt Recunin.

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21, Mr Moralez

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Bertha King; female speaker; Jim Corrigan; male speaker; Nina Suso; Judith Baker; Megan Parsha; Natilie Brow; Debra Lea; Audre Lee; Sydina Baldwin; David Drabell; Alician Green; Art Evans; Edgar Dennis; Alexander Arilio; Shawn Collins; Chris Buhan; Jenifer Grant; Dwain Newton; Mindy Tomage; Marie Jobling; Donna Kalang, Jen Mathews, John Darwin, Luis Caldrin, Vic Vigan, Peter Warfield, Debra Doyle, Fred Sanchez, Rosa Petigan, Margaret Bearing; Cynthia Alexis; Sally Large; Ms. Disagara; Jim Perzakula; Michael Fredon; Dan James; John Bodine; Alfred Jones; Cathy Austin; Melisa; Mr Chavez; Dennis Carol; Arlene Ackerman, Superintendent, SFUSD; Ed Harrington, Controller

Heard in Committee. Speakers: female speaker; Dorothy Hurcan; Vicki Legin; Ken Legalson; Luis Antonio; Vicki Legin; Marie Jobling; female speaker; Marie Louise; Gloria Thorton; John King; Ntanya Lee; Joseph Russell; Rob Walton; Alana Galante; Hariet Suscan; Steve Magojin; Vera Hale; male speaker; Aberto Sedena; Mr. Resio; Jackie Jens; Donna Semp; Joe Burkowitz; Jack Macklin; Mr. Leon; Louis Scott; Joe Wilson, Coleman Advocates; Johnny Greens; Jean Sikian; Benson Adel; Dr. Nancy Choi; Edna Dalen; female speaker; female speaker; Helen Hapinsang; Darell Gregs; Brian Heng; Carlos Peter; Ms. Richards; Mr. James, Youth Commission; female speaker, Youth Commission; Lee Cambell, Youth Commission; Mr. Corag, Local 250; Mariel Dehena; Valeria Ekins; Carolin Vance; Mark Brian; Peter Bacon; Mary Tunie; James Pie; Mike Delincio, Commission of Aging; Elizabeth Siggins; Walter Parks; Barbara Berry; Bob Chief; Judy Burkowitz; Dr. Bokowit; Ms. Johnson; male speaker; Ann Aherne; male speaker.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030302 [Budget Updates]

Supervisors Daly, Peskin

Hearing to consider budget updates from the Mayor, Controller, Budget Analyst, Legislative Analyst, and City Departments.

2/25/03, RECEIVED AND ASSIGNED to Budget Committee.

3/6/03, CONTINUED. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office.

Continued to March 27, 2003.

3/27/03, CONTINUED. Heard in Committee. Speakers: Whit J. Manns, Tenderloin Self-Help Center and Central City Hospitality House; Linda Adams, Tenderloin Self-Help Center; Roger Jones, Tenderloin Self-Center; Francis Terry, Central City Hospitality House; Charles A. Maxwell, Central City Hospitality House; Michael Moore, Central City Hospitality House and Tenderloin Self-Help Center; Dartagnan Hutcherson, Tenderloin Self-Help Center; Yolanda Warren, Tenderloin Self-Help Center; Michael Robinson, Tenderloin Self-Help Center. Charles Carrill, Central City Hospitality House and Tenderloin Self-Help Center; Luther Rickert, Director of Employment Services, Central City Hospitality House (located in Tenderloin Self-Help Center); John Bardis; Edward Evans, Community Resources Action Project; Richard Robinson, Community Awareness Treatment Center; Edward Harrington, Controller; Ben Rosenfield, Mayor's Budget Office

Continued to 4/3/03 meeting.

4/3/03, CONTINUED. Heard in Committee. Speakers: Jackie Jays; male speaker; male speaker; Howard Simms; Ben Rosenfield, Mayor's Budget Office; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

Continued to April 10, 2003.

4/10/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Steve Kawa, Mayor's Office

4/17/03, REFERRED TO DEPARTMENT. Agendas reffered to affected departments. (Directions to departments to be delivered by Supervisors Daly's Office.)

4/21/03, CONTINUED TO CALL OF THE CHAIR. Heard in the Budget Committee. Speakers: Julian Low, Mayor's Office; Ed Harrington, Controller; Pamela Fischer; Spike Kahn, Local 21; David Pilpel; Gail Wechsler; Yvette Simpson; Kimia Mizany; Helen Lucas, Airport; Kevin Cone, Airport; Lima Avery, Business and Economic Development Department Frank Chiu, Director, Building Inspection; Ed Lee, Public Works; Tina Olson, Public Works.

At the hour of 5:16 p.m. a quorum of the Board of Supervisor was noted present. The meeting is now considered to be a SPECIAL BOARD MEETING

Heard in Special Board Committee. Speakers: Gigi Harrington, Municipal Transportation Agency; Julia Dawson, Parking and Traffic; Ted Lakey, Deputy City Attorney; Joe Speaks; Municipal Transportation Agency; Joe Robinson, Director of Administrative Services, Port; Bill Berry; Public Utilities Commission; Denise Brady, Dept. of Telecommunications and Information Services; Naomi Little, Executive Director, Taxi Commission; Shawn Collins; Pinkey Kushner; Robert Chieflou; Ms. Dawson, Randall Museum.

4/24/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Erin McGrath, Mayor's Office; Greg Sass, Chief Finance Officer, Public Health; Ms. Hinke; Marlene Tran, Lindsay Berger, Youth Commission; Dr. Martin Louie; Hywel Sims; Andrew Bozeman; Kara Graziano; male speaker; James Beck; male speaker; Melanie Myers; Ms. Kepenoli, Local 250; Vandi Kim; Lessie Hopkins; Richard Goldman; Dr. Harry Densen; female speaker; Troy Newman; Wattie Sanders; Jaye Richardson; female speaker; Ena Aguirre; Jim Dilley; James Gregg; Gloria Frush-Frederico; Alex Georgokopolis; Esther Chavez; Mara Wallace; Alfredta Nesbitt; Barbara Farrell; Alvin Jones; Ann Togia; Karen Patterson Matthew; Sheri Fostin; Paul Kunsberg; Nat Jordan; Michael Lyon; Piers Mackenzie; Oscaryne Williams; Sam Dodge; Dee Epps Miller; Rebecca Dorman; James Kaner; Mr. Murphy; Anthony Imperial, Jospeh Pace; Walter Johnson; Frank William, Senior Ex-Offenders Program; Ms. Eversiti; Beth Mcgee; Jennifer Baity Carlin; Daniel Turbin; Larry Bevan; Linda Zaretsi; Dr. Mitchell Katz, Director, Public Health.

5/1/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Supervisor Jake McGoldrick; Ed Harrington, Controller; Ms. Simmons, Mayor's Office; Derrick Lam, Ageing and Adult Services; Jennifer Stanley, Senior Legislative Analyst; male speaker; Gabrielle Selder; Ken Teisen; Merrill Buice; Luis Calderon; Marie Jobling; Philip Carleta; Michael Denny; Richard Robinson; Bill Hollabaugh; Les Will; female speaker; Vera Haile; Ron Miguel; Margaret Baran; Susanne Tucker; Sofia Sepecoa; Justin Fichelson, Youth Commission; Roy Recio; Erika Horn; female speaker; Phil Arnold, Human Services

5/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: male speakers; Francis Kent; Sister Bernie Calvin; Martha Olson, Katie Danielson; Cecelia Valentine; Norman Terra; Danita Lanson; Dr. Joanne Keenie; James Matter; James Beck; Ms. Goodrow; Emily Wilscott; Michelle Castro; Gene Bishop; Ted Trehan; Carol Cansano; Jennifer O'San; Terra Sanker; Mr. Vocher; male speaker. Dave Richmond. Dr. Verna Chapman. Helena Giles. Maryl Bytes. Elizabeth Ware. Jackilyn Freeman. John Bardis. Ms. McNeil. Espinola Jackson. Ed Harrington, Controller; Steve Kawa, Mayor's Office

5/8/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Monique Zmuda, Controller's Office; Katie Petrucione, Mayor's Office; Elizabeth Goldstein, Executive Director, Recreation and Parks; Katie Cluster; Mary Mcallister,; Jim Krotzer; Victoria Lansdown;Harriet Ziskin; female speaker (translated from Russian); Denise Couther; Randy Wilkinson; Philip Carleton; Margaret Brodkin; Nancy Wuerfel; Sashe Mosalov; Linda Hunter; Susan Bogan; Peter Warfield; Laurel Burkhalter; Ms. Cameran; Christopher Dudenstaut, Nels Erikson; Brian Green; Snia Ng; Dr. Janice Cohen; Kathleen White; Debbie Montarano; Ron Dudum; Ms Whitten. Eddy Wedertz. Lorry Cole. CJ Mourning. David Van Dormeden. Tracy Massingale. Bettery Traynor. female speaker. Megan Bierman. Mr. Mckinna, Recreation and Park

5/12/03, CONTINUED. Heard in Committee. Speakers: Kieu-anh King, Mayor's Office; Brenda Lopez; Martha McNeil; Peg Hickcox; female speaker; Connie Hagen; Dan Armis; David Rile; Monic Louper; Al Rosen; Risio Vela; Ruth VurosKAren Kircher; Tracy Garrison; Judith Baker; Ryne Green; Sandra Fewer; Dave Richmond; James Beck; female speaker; Jeff Mori; Dan Mallallair; male speaker; Ben Island; Helena Giles; Chester Palisol; donna Kahill; female speaker; female speaker; female speaker; maile speaker; Libby Alber; Dr. Verna Chapman; Tracy Regal; Ray Balberan; Kyle Fura; Ms. Park; Natale Bruth; Jill Fox; NTanya Lee; Mary Arnts; Barbara Caravello; Dr. Carla Perez; Juno Duenas; Myrna Lina; Judith Flynn; Nicole Hurst; Debra Stein; Barbara Farrell; Andrea Spagat; Mitch Myers; Eugene Downer; Richard Dion; Andrew Style; Rosie Kennedy; Pamela Do; male speaker; Irene Chan; female speaker; Olga Banks; Vikky McArthur; female speaker; Karilyn Dansen; Andrew Johnson, female speaker; David; Helen Lee; femal speaker; Ms Valentino; Marilyn Bias.

5/16/03, CONTINUED TO CALL OF THE CHAIR.

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr. Moralez.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Bertha King; female speaker; Jim Corrigan; male speaker; Nina Suso; Judith Baker; Megan Parsha; Natilie Brow; Debra Lea; Audre Lee; Sydina Baldwin; David Drabell; Alician Green; Art Evans; Edgar Dennis; Alexander Arilio; Shawn Collins; Chris Buhan; Jenifer Grant; Dwain Newton; Mindy Tomage; Marie Jobling; Donna Kalang; Jen Mathews; John Darwin; Luis Caldrin; Vic Vigan; Peter Warfield; Debra Doyle; Fred Sanchez; Rosa Petigan; Margaret Bearing; Cynthia Alexis; Sally Large; Ms. Disagara; Jim Perzakula; Michael Fredon; Dan James; John Bodine; Alfred Jones; Cathy Austin; Melisa; Mr. Chavez; Dennis Carol; Arlene Ackerman, Superintendent, SFUSD; Ed Harrington, Controller

Heard in Committee. Speakers: female speaker; Dorothy Hurcan; Vicki Legin; Ken Legalson; Luis Antonio; Vicki Legin; Marie Jobling; female speaker; Marie Louise; Gloria Thorton; John King; Ntanya Lee; Joseph Russell; Rob Walton; Alana Galante; Hariet Suscan; Steve Magojin; Vera Hale; male speaker; Aberto Sedena; Mr. Resio; Jackie Jens; Donna Semp; Joe Burkowitz; Jack Macklin; Mr. Leon; Louis Scott; Joe Wilson, Coleman Advocates; Johnny Greens; Jean Sikian; Benson Adel; Dr. Nancy Choi; Edna Dalen; female speaker; female speaker; Helen Hapinsang; Darell Gregs; Brian Heng; Carlos Peter; Ms. Richards; Mr. James, Youth Commission; female speaker, Youth Commission; Lee Cambell, Youth Commission; Mr. Corag, Local 250; Mariel Dehena; Valeria Ekins; Carolin Vance; Mark Brian; Peter Bacon; Mary Tunie; James Pie; Mike Delincio, Commission of Aging; Elizabeth Siggins; Walter Parks; Barbara Berry; Bob Chief; Judy Burkowitz; Dr. Bokowit; Ms. Johnson; male speaker; Ann Aherne; male speaker.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030813 **[Government Funding, Fiscal Year 2003-04]**

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for selected departments of the City and County of San Francisco as of May 1, 2003, for fiscal year ending June 30, 2004. (Controller)

5/6/03, RECEIVED AND ASSIGNED to Budget Committee

5/14/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: John Martin, Director, SF Airport; female speaker, SF Airport; Monique Zmuda, Deputy Controller; Ted Lakey, Deputy City Attorney

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr. Moralez.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

Heard in Committee. Speakers: female speaker; Dorothy Hurcan; Vicki Legin; Ken Legalson; Luis Antonio; Vicki Legin; Marie Jobling; female speaker; Marie Louise; Gloria Thorton; John King; Ntanya Lee; Joseph Russell; Rob Walton; Alana Galante; Hariet Suscan; Steve Magojin; Vera Hale; male speaker; Aberto Sedena; Mr. Resio; Jackie Jens; Donna Semp; Joe Burkowitz; Jack Macklin; Mr. Leon; Louis Scott; Joe Wilson, Coleman Advocates; Johnny Greens; Jean Sikian; Benson Adel; Dr. Nancy Choi; Edna Dalen; female speaker; female speaker; Helen Hapinsang; Darell Gregs; Brian Heng; Carlos Peter; Ms. Richards; Mr. James, Youth Commission; female speaker, Youth Commission; Lee Cambell, Youth Commission; Mr. Corag, Local 250; Mariel Dehena; Valeria Ekins; Carolin Vance; Mark Brian; Peter Bacon; Mary Tunie; James Pie; Mike Delincio, Commission of Aging; Elizabeth Siggins; Walter Parks; Barbara Berry; Bob Chief; Judy Burkowitz; Dr. Bokowit; Ms. Johnson; male speaker; Ann Aherne; male speaker.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030784 [Interim Government Funding, Fiscal Year 2003-04]

Mayor

Interim Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

Continued to June 11, 2003

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Ed Harrington, Controller; Ben Rosenfield, Mayor's Office.

06/11/03 Amendment of the whole bearing the same title.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

RECOMMENDED AS AMENDED AS A COMMITTEE REPORT by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030785 [Interim Public Employment, Fiscal Year 2003-04]

Supervisor Daly

Interim Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2004, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

Continued to June 11, 2003.

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Ed Harrington, Controller; Ben Rosenfield, Mayor's Office.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

RECOMMENDED AS AMENDED AS A COMMITTEE REPORT by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030786 [Annual Budget, Fiscal Year 2003-04]

Mayor

Hearing to consider the Mayor's proposed 2003-04 budget for the City and County of San Francisco. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030787 **[Government Funding, Fiscal Year 2003-04]**

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030788 **[Public Employment, Fiscal Year 2003-04]**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2004, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

SPECIAL ORDER 10:15 AM

031028 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for the Board of Supervisors, Mayor, City Attorney, Public Defender, District Attorney, Juvenile Probation, Environment, Planning, Adult and Aging Services, and Trial Courts for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Terence Hallinan, District Attorney; Teresa Saki, District Attorney's Office; Ben Rosenfield, Mayor's Office; City Attorney; Ed Harrington, Controller; Jeff Adachi, Public Defender, Jesse Williams, Chief Juvenile Probation Officer, Juvenile Probation; Darrick Lam, Executive Director, Adult and Aging Services; Jared Blumenfeld, Director, Department of the Environment; Gerald Green, Director, Planning Department; male speaker, Trial Courts.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030772 **[Reserved Funds, S.F. Environment]**

Hearing to consider release of reserved funds, S.F. Environment (File No. 011431, Resolution No. 647-01), in the amount $508,000 to conclude the Power Savers small business energy efficient lighting program and pay the contractual services of Newcomb Anderson Associates. (Environment)

4/30/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

6/4/03, TRANSFERRED to Budget Committee

Heard in Committee. Speakers: Jared Blumenfeld, Director, Department of the Environment.

APPROVED AND FILED by the following vote:

Ayes: 4 - Daly, Peskin, Maxwell, Ma
Absent: 1 - Gonzalez

030960 **[Reserved Funds, Mayor's Office of Community Development]**

Hearing to consider release of reserved funds, Mayor's Office of Community Development (File No. 030639, Resolution No. 301-03) in the amount $567,262 to fund four (4) identified projects which would otherwise be paid by General Fund monies in the Departments of Human Services, Public Health and Public Works. (Mayor)

5/30/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

6/4/03, TRANSFERRED to Budget Committee

Heard in Committee. Speakers: Terence Hallinan, District Attorney; Teresa Saki, District Attorney's Office; Ben Rosenfield, Mayor's Office; City Attorney; Ed Harrington, Controller; Jeff Adachi, Public Defender; Jesse Williams, Chief Juvenile Probation Officer, Juvenile Probation; Darrick Lam, Executive Director, Adult and Aging Services; Jared Blumenfeld, Director, Department of the Environment; Gerald Green, Director, Planning Department; male speaker, Trial Courts.

APPROVED AND FILED by the following vote:

Ayes: 3 - Daly, Peskin, Maxwell
Absent: 2 - Ma, Gonzalez

030735 **[Appropriation, $714,075 - Environmental evaluation of various city projects]**

Supervisors Dufty, Daly

Ordinance appropriating $714,075 of surplus City Planning Commission Fees for professional services for preparation of Environmental Impact Reports (EIRs) related to community planning for San Francisco's eastern neighborhoods (Mission, South of Market, Showplace Square/Potrero Hill, Visitation Valley and Bayview/Hunter's Point) and salary and fringe benefits for existing unfunded positions involved in Contract supervision of the EIRs and to address backlogs in environmental evaluation of various city projects for fiscal year 2002-03, placing a reserve of $527,003. (Mayor)

(Fiscal impact; No Public Benefit Recipient.)

4/29/03, RECEIVED AND ASSIGNED to Finance and Audits Committee

6/4/03, TRANSFERRED to Budget Committee

Heard in Committee. Speakers: Gerald Green, Director, Planning Department; Monique Zmuda, Deputy Controller, Controller's Office.

06/11/03 - Amendment of the whole bearing a new title.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $714,075 of surplus City Planning Commission Fees for professional services for preparation of Environmental Impact Reports (EIRs) related to community planning for San Francisco's eastern neighborhoods (Mission, South of Market, Showplace Square/Potrero Hill, Visitation Valley and Bayview/Hunter's Point) and salary and fringe benefits for existing unfunded positions involved in Contract supervision of the EIRs and to address backlogs in environmental evaluation of various city projects for fiscal year 2002-03, placing $400,000 in Controller's reserve and $127,000 in a fiscal committee reserve. (Mayor)

(Fiscal impact; No Public Benefit Recipient.)

RECOMMENDED AS AMENDED AS A COMMITTEE REPORT by the following vote:

Ayes: 3 - Daly, Peskin, Maxwell
Absent: 2 - Ma, Gonzalez

SPECIAL ORDER 2:00 PM

031029 [Budget Hearing and Review, FY 2003-04]

Supervisor Daly

Hearing to consider the Annual Budget for the Assessor/Recorder, Recreation and Parks Department, Public Health, Children Youth and Families, Taxicab Commission, and Municipal Transportation Agency for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Mabel Teng, Assessor; Ed Harrington, Controller; Elizabeth Goldstein, Recreation and Parks Dept.; Michael Frank; Dr. Mitchell Katz, Director, Public Health; Aaron Brantly, Mayor's Office; Greg Sass, Chief Financial Officer, Pubic Health; Ben Rosenfield, Mayor's Office; Monique Zmuda, Deputy Controller, Controller's Office; Nani Coloretti, Director of Budget, Planning and Policy, Children Youth and Families; Michael Burns, MUNI; Gerald Norman, Director, Parking and Traffic; Julia Dawson, Parking and Traffic.

CONTINUED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030914 [Re-appropriate existing funding for the over-expenditures in personnel costs, non-personal services, and workers compensation for DPH]

Mayor

Ordinance re-appropriating $9,342,000 of existing departmental revenues to cover over- expenditures in personnel costs, non-personal services, and workers compensation for the San Francisco General and Laguna Honda Hospitals for the Department of Public Health for fiscal year 2002-03. (Mayor)

(Fiscal impact.)

5/20/03, RECEIVED AND ASSIGNED to Finance and Audits Committee. Sponsor requests this item be scheduled for consideration at the June 4, 2003 meeting.

6/4/03, TRANSFERRED to Budget Committee

Heard in Committee. Speakers: Greg Sass, Chief Financial Officer, Pubic Health; Ben Rosenfield, Mayor's Office.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Daly, Peskin, Maxwell
Absent: 2 - Ma, Gonzalez

ADJOURNMENT

The meeting adjourned at 7:20 a.m.

City and County of San Francisco
Meeting Minutes
Budget Committee

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA
94102-4689

Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma and Matt Gonzalez

Clerk: Victor Young

Thursday, June 12, 2003 **9:30 AM** **Legislative Chambers, Second Floor**

Rescheduled Meeting

Members Present: Chris Daly, Sophie Maxwell, Fiona Ma, Matt Gonzalez.

Members Absent: Aaron Peskin.

Meeting Convened

The meeting convened at 9:45 a.m.

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REGULAR AGENDA

030112 [Mayor's Budget Plan]

Supervisors Peskin, Daly

Hearing to review the Mayor's most recent budget plan, issued in January 2003. This hearing will address the Mayor's current and planned spending changes to address the City's current budget deficit.

1/21/03, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests that this item be heard by the Board of Supervisors' Budget Committee if it is established by President Gonzalez and convenes before February 15, 2003 If a Budget Committee meeting is not scheduled before February 15, 2003, sponsor requests that this hearing be scheduled at the Board's Finance Committee at its meeting on February 5, 2003.

2/5/03, TRANSFERRED to Budget Committee. New committee structure 2/17/03.

2/20/03, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Ben Rosenfield, Mayor's Budget Office; Female Speaker.

Continued to February 27, 2003.

3/6/03, CONTINUED. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office.

Continued to March 27, 2003.

3/27/03, CONTINUED. Heard in Committee. Speakers: Whit J. Manns, Tenderloin Self-Help Center and Central City Hospitality House; Linda Adams, Tenderloin Self-Help Center; Roger Jones, Tenderloin Self-Center; Francis Terry, Central City Hospitality House; Charles A. Maxwell, Central City Hospitality House; Michael Moore, Central City Hospitality House and Tenderloin Self-Help Center; Dartagnan Hutcherson, Tenderloin Self-Help Center, Yolanda Warren, Tenderloin Self-Help Center; Michael Robinson, Tenderloin Self-Help Center; Charles Carrill, Central City Hospitality House and Tenderloin Self-Help Center; Luther Rickert, Director of Employment Services, Central City Hospitality House (located in Tenderloin Self-Help Center); John Bardis; Edward Evans, Community Resources Action Project; Richard Robinson, Community Awareness Treatment Center; Edward Harrington, Controller; Ben Rosenfield, Mayor's Budget Office

Continued to 4/3/03 meeting

4/3/03, CONTINUED. Heard in Committee. Speakers: Jackie Jays; male speaker; male speaker; Howard Simms; Ben Rosenfield, Mayor's Budget Office; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

Continued to April 10, 2003.

4/10/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Steve Kawa, Mayor's Office.

5/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: male speakers; Francis Kent; Sister Bernie Calvin; Martha Olson; Katie Danielson; Cecelia Valentine; Norman Terra; Danita Lanson; Dr. Joanne Keenie; James Matter; James Beck; Ms. Goodrow; Emily Wilscott; Michelle Castro; Gene Bishop; Ted Trehan; Carol Cansano; Jennifer O'San; Terra Sanker; Mr. Vocher; male speaker; Dave Richmond; Dr. Verna Chapman; Helena Giles; Maryl Bytes; Elizabeth Ware; Jackilyn Freeman; John Bardis; Ms. McNeil; Espinola Jackson; Ed Harrington, Controller; Steve Kawa, Mayor's Office.

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spke Kahn, Local 21; Ted Lakey, Deputy City Attorney; Monique Zmuda, Deputy City Controller; Elene Boken; Dave Warner; Nancy Wuerful; Jane Salonow; Richard Zimmerman; David Chan; Richard Montgomery; Mr. Takenhemer; Pat Walker; Ms. Hopps; Lloyd Carlson; Melissa Marris; Evette Simpson; Ronald Solin; Rick Barry; Joan Puppet; Lin Rogers; male speaker; female speaker; female speaker; John Risso; Robert Emery; Steve Doy; Mirineth Straner; Arron Isreal; Bill Wong; Douglas Perrier; Mark Stout; Arnold Thompson; Ossie Asure; Eric Manthis; Andy Gross; Eric Sadic, Eda Sido; John Marks; Jim Chapal, Spur; Lee Mates; Jim Wonderman; Nathan Nayman; Jack Damon; Dan Kuanto; Piedres; Michael Gorenstein; Steve Roseburn; Vic Ay; Silvia Johnson; Tara Houseman; Pescal Surman; Lou Given; Rua Graffis; Jennifer Jackson; male speaker: Brian West; David Lewis; Wendy Stiff; Curt Recunin;

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr Moralez

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Bertha King; female speaker; Jim Corrigan; male speaker; Nina Suso; Judith Baker; Megan Parsha; Natilie Brow; Debra Lea; Audre Lee; Sydina Baldwin; David Drabell; Alician Green; Art Evans; Edgar Dennis; Alexander Arilio; Shawn Collins; Chris Buhan; Jenifer Grant; Dwain Newton; Mindy Tomage; Marie Jobling; Donna Kalang; Jen Mathews; John Darwin; Luis Caldrin; Vic Vigan; Peter Warfield; Debra Doyle; Fred Sanchez; Rosa Petigan; Margaret Bearing; Cynthia Alexis; Sally Large; Ms. Disagara; Jim Perzakula; Michael Fredon; Dan James; John Bodine; Alfred Jones; Cathy Austin; Melisa; Mr. Chavez; Dennis Carol; Arlene Ackerman, Superintendent, SFUSD; Ed Harrington, Controller

6/11/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: female speaker; Dorothy Hurcan; Vicki Legin; Ken Legalson; Luis Antonio; Vicki Legin; Marie Jobling; female speaker; Marie Louise; Gloria Thorton; John King; Ntanya Lee; Joseph Russell, Rob Walton; Alana Galante; Hariet Suscan; Steve Magojin; Vera Hale; male speaker; Aberto Sedena; Mr. Resio; Jackie Jens; Donna Semp, Joe Burkowitz, Jack Macklin, Mr Leon, Louis Scott, Joe Wilson, Coleman Advocates, Johnny Greens, Jean Sikian; Benson Adel; Dr Nancy Choi; Edna Dalen; female speaker; female speaker; Helen Hapinsang; Darell Gregs; Brian Heng; Carlos Peter; Ms Richards, Mr. James, Youth Commission; female speaker, Youth Commission; Lee Cambell, Youth Commission; Mr. Corag, Local 250, Mariel Dehena; Valeria Ekins; Carolin Vance; Mark Brian, Peter Bacon; Mary Tunie; James Pie; Mike Delincio, Commission of Aging; Elizabeth Siggins; Walter Parks, Barbara Berry; Bob Chief; Judy Burkowitz; Dr. Bokowit; Ms. Johnson; male speaker; Ann Aherne male speaker

Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

030302 **[Budget Updates]**

Supervisors Daly, Peskin

Hearing to consider budget updates from the Mayor, Controller, Budget Analyst, Legislative Analyst, and City Departments.

2/25/03, RECEIVED AND ASSIGNED to Budget Committee

3/6/03, CONTINUED. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office.

Continued to March 27, 2003

3/27/03, CONTINUED. Heard in Committee. Speakers: Whit J. Manns, Tenderloin Self-Help Center and Central City Hospitality House; Linda Adams, Tenderloin Self-Help Center; Roger Jones, Tenderloin Self-Center; Francis Terry, Central City Hospitality House; Charles A. Maxwell, Central City Hospitality House; Michael Moore, Central City Hospitality House and Tenderloin Self-Help Center; Dartagnan Hutcherson, Tenderloin Self-Help Center; Yolanda Warren, Tenderloin Self-Help Center; Michael Robinson, Tenderloin Self-Help Center; Charles Carrill, Central City Hospitality House and Tenderloin Self-Help Center; Luther Rickert, Director of Employment Services, Central City Hospitality House (located in Tenderloin Self-Help Center); John Bardis; Edward Evans, Community Resources Action Project; Richard Robinson, Community Awareness Treatment Center; Edward Harrington, Controller; Ben Rosenfield, Mayor's Budget Office

Continued to 4/3/03 meeting

4/3/03, CONTINUED. Heard in Committee. Speakers: Jackie Jays; male speaker; male speaker; Howard Simms; Ben Rosenfield, Mayor's Budget Office; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

Continued to April 10, 2003

4/10/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Steve Kawa, Mayor's Office

4/17/03, REFERRED TO DEPARTMENT. Agendas reffered to affected departments. (Directions to departments to be delivered by Supervisors Daly's Office.)

4/21/03, CONTINUED TO CALL OF THE CHAIR. Heard in the Budget Committee. Speakers: Julian Low, Mayor's Office; Ed Harrington, Controller; Pamela Fischer; Spike Kahn, Local 21; David Pilpel; Gail Wechsler; Yvette Simpson; Kimia Mizany; Helen Lucas, Airport; Kevin Cone, Airport; Lima Avery, Business and Economic Development Department Frank Chiu, Director, Building Inspection; Ed Lee, Public Works; Tina Olson, Public Works

At the hour of 5:16 p.m. a quorum of the Board of Supervisor was noted present. The meeting is now considered to be a SPECIAL BOARD MEETING

Heard in Special Board Committee. Speakers: Gigi Harrington, Municipal Transportation Agency; Julia Dawson, Parking and Traffic; Ted Lakey, Deputy City Attorney; Joe Speaks; Municipal Transportation Agency; Joe Robinson, Director of Administrative Services, Port; Bill Berry; Public Utilities Commission; Denise Brady, Dept. of Telecommunications and Information Services; Naomi Little, Executive Director, Taxi Commission; Shawn Collins; Pinkey Kushner; Robert Chieflou; Ms. Dawson, Randall Museum.

4/24/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Erin McGrath, Mayor's Office; Greg Sass, Chief Finance Officer, Public Health; Ms. Hinke; Marlene Tran, Lindsay Berger, Youth Commission; Dr. Martin Louie; Hywel Sims; Andrew Bozeman; Kara Graziano; male speaker; James Beck; male speaker; Melanie Myers; Ms. Kepenoli, Local 250; Vandi Kim; Lessie Hopkins; Richard Goldman; Dr. Harry Densen; female speaker; Troy Newman; Wattie Sanders; Jaye Richardson; female speaker; Ena Aguirre; Jim Dilley; James Gregg; Gloria Frush-Frederico; Alex Georgokopolis; Esther Chavez; Mara Wallace; Alfredta Nesbitt; Barbara Farrell; Alvin Jones; Ann Togia; Karen Patterson Matthew; Sheri Fostin; Paul Kunsberg; Nat Jordan; Michael Lyon; Piers Mackenzie; Oscaryne Williams; Sam Dodge; Dee Epps Miller; Rebecca Dorman; James Kaner; Mr. Murphy; Anthony Imperial; Jospeh Pace; Walter Johnson; Frank William, Senior Ex-Offenders Program; Ms. Eversiti; Beth Mcgee; Jennifer Baity Carlin; Daniel Turbin; Larry Bevan; Linda Zaretsi; Dr. Mitchell Katz, Director, Public Health

5/1/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Supervisor Jake McGoldrick; Ed Harrington, Controller; Ms. Simmons, Mayor's Office; Derrick Lam, Ageing and Adult Services; Jennifer Stanley, Senior Legislative Analyst; male speaker; Gabrielle Selder; Ken Teisen; Merrill Buice; Luis Calderon; Marie Jobling; Philip Carleta; Michael Denny; Richard Robinson; Bill Hollabaugh; Les Will; female speaker; Vera Haile; Ron Miguel; Margaret Baran; Susanne Tucker; Sofia Sepecoa; Justin Fichelson, Youth Commission; Roy Recio; Erika Horn; female speaker; Phil Arnold, Human Services

5/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: male speakers; Francis Kent; Sister Bernie Calvin; Martha Olson, Katie Danielson; Cecelia Valentine; Norman Terra; Danita Lanson; Dr. Joanne Keenie; James Matter; James Beck; Ms Goodrow; Emily Wilscott; Michelle Castro; Gene Bishop; Ted Trehan; Carol Cansano; Jennifer O'San; Terra Sanker; Mr. Vocher; male speaker Dave Richmond, Dr Verna Chapman, Helena Giles, Maryl Bytes, Elizabeth Ware, Jackilyn Freeman, John Bardis, Ms. McNeil, Espinola Jackson; Ed Harrington, Controller; Steve Kawa, Mayor's Office

5/8/03 CONTINUED TO CALL OF THE CHAIR Heard in Committee Speakers Monique Zmuda, Controller's Office, Katie Petrucione, Mayor's Office; Elizabeth Goldstein, Executive Director, Recreation and Parks; Katie Cluster; Mary Mcallister,; Jim Krotzer; Victoria Lansdown;Harriet Ziskin; female speaker (translated from Russian); Denise Couther; Randy Wilkinson; Philip Carleton; Margaret Brodkin Nancy Wuerfel, Sashe Mosalov, Linda Hunter, Susan Bogan, Peter Warfield, Laurel Burkhalter, Ms Cameran, Christopher Dudenstaut Nels Erikson Brian Green, Sina Ng, Dr Janice Cohen, Kathleen White, Debbie Montarano, Ron Dudum, Ms Whitten Eddy Wedertz Lorry Cole, CJ Mourning, David Van Dormeden, Tracy Massingale, Bettery Traynor, female speaker, Megan Bierman Mr Mckinna Recreation and Park

5/12/03, CONTINUED. Heard in Committee. Speakers: Kieu-anh King, Mayor's Office; Brenda Lopez; Martha McNeil; Peg Hickcox; female speaker; Connie Hagen; Dan Armis; David Rile; Monic Louper; Al Rosen; Risio Vela; Ruth VurosKAren Kircher; Tracy Garrison; Judith Baker; Ryne Green; Sandra Fewer; Dave Richmond; James Beck; female speaker; Jeff Mori; Dan Mallallair; male speaker; Ben Island; Helena Giles; Chester Palisol; donna Kahill. female speaker; female speaker; female speaker; maile speaker; Libby Alber; Dr. Verna Chapman; Tracy Regal; Ray Balberan; Kyle Fura; Ms. Park; Natale Bruth; Jill Fox; NTanya Lee; Mary Arnts; Barbara Caravello; Dr. Carla Perez; Juno Duenas; Myrna Lina; Judith Flynn; Nicole Hurst; Debra Stein; Barbara Farrell; Andrea Spagat; Mitch Myers; Eugene Downer; Richard Dion; Andrew Style; Rosie Kennedy; Pamela Do; male speaker; Irene Chan; female speaker; Olga Banks; Vikky McArthur; female speaker; Karilyn Dansen; Andrew Johnson, female speaker; David; Helen Lee; femal speaker; Ms. Valentino; Marilyn Bias.

5/16/03, CONTINUED TO CALL OF THE CHAIR.

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr. Moralez.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Bertha King; female speaker; Jim Corrigan; male speaker; Nina Suso; Judith Baker; Megan Parsha; Natilie Brow; Debra Lea; Audre Lee; Sydina Baldwin; David Drabell; Alician Green; Art Evans; Edgar Dennis; Alexander Arilio; Shawn Collins; Chris Buhan; Jenifer Grant; Dwain Newton; Mindy Tomage; Marie Jobling; Donna Kalang; Jen Mathews; John Darwin; Luis Caldrin; Vic Vigan; Peter Warfield; Debra Doyle; Fred Sanchez; Rosa Petigan; Margaret Bearing; Cynthia Alexis; Sally Large; Ms. Disagara; Jim Perzakula; Michael Fredon; Dan James; John Bodine; Alfred Jones; Cathy Austin; Melisa; Mr. Chavez; Dennis Carol; Arlene Ackerman, Superintendent, SFUSD; Ed Harrington, Controller

6/11/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: female speaker; Dorothy Hurcan; Vicki Legin; Ken Legalson; Luis Antonio; Vicki Legin; Marie Jobling; female speaker; Marie Louise; Gloria Thorton; John King; Ntanya Lee; Joseph Russell; Rob Walton; Alana Galante; Hariet Suscan; Steve Magojin; Vera Hale; male speaker; Aberto Sedena; Mr. Resio; Jackie Jens; Donna Semp; Joe Burkowitz; Jack Macklin; Mr. Leon; Louis Scott; Joe Wilson, Coleman Advocates; Johnny Greens; Jean Sikian; Benson Adel; Dr. Nancy Choi; Edna Dalen; female speaker; female speaker; Helen Hapinsang; Darell Gregs; Brian Heng; Carlos Peter; Ms. Richards; Mr. James, Youth Commission; female speaker, Youth Commission; Lee Cambell, Youth Commission; Mr. Corag, Local 250; Mariel Dehena; Valeria Ekins; Carolin Vance; Mark Brian; Peter Bacon; Mary Tunie; James Pie; Mike Delincio, Commission of Aging; Elizabeth Siggins; Walter Parks; Barbara Berry; Bob Chief; Judy Burkowitz; Dr. Bokowit; Ms. Johnson; male speaker; Ann Aherne; male speaker

Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

030813 **[Government Funding, Fiscal Year 2003-04]**

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for selected departments of the City and County of San Francisco as of May 1, 2003, for fiscal year ending June 30, 2004. (Controller)

5/6/03, RECEIVED AND ASSIGNED to Budget Committee.

5/14/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: John Martin, Director, SF Airport; female speaker, SF Airport; Monique Zmuda, Deputy Controller; Ted Lakey, Deputy City Attorney.

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr. Moralez.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: female speaker; Dorothy Hurcan; Vicki Legin; Ken Legalson; Luis Antonio; Vicki Legin; Marie Jobling; female speaker; Marie Louise; Gloria Thorton; John King; Ntanya Lee; Joseph Russell; Rob Walton; Alana Galante; Hariet Suscan; Steve Magojin; Vera Hale; male speaker; Aberto Sedena; Mr. Resio; Jackie Jens; Donna Semp; Joe Burkowitz; Jack Macklin; Mr. Leon; Louis Scott; Joe Wilson, Coleman Advocates; Johnny Greens; Jean Sikian; Benson Adel; Dr. Nancy Choi; Edna Dalen; female speaker; female speaker; Helen Hapinsang; Darell Gregs; Brian Heng; Carlos Peter; Ms. Richards; Mr. James, Youth Commission; female speaker, Youth Commission; Lee Cambell, Youth Commission; Mr. Corag, Local 250; Mariel Dehena; Valeria Ekins; Carolin Vance; Mark Brian; Peter Bacon; Mary Tunie; James Pie; Mike Delincio, Commission of Aging; Elizabeth Siggins; Walter Parks; Barbara Berry; Bob Chief; Judy Burkowitz; Dr. Bokowit; Ms. Johnson; male speaker; Ann Aherne; male speaker

Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

030786 **[Annual Budget, Fiscal Year 2003-04]**

Mayor

Hearing to consider the Mayor's proposed 2003-04 budget for the City and County of San Francisco. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR

Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

030784 **[Interim Government Funding, Fiscal Year 2003-04]**

Mayor

Interim Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

Continued to June 11, 2003.

6/11/03, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Ed Harrington, Controller; Ben Rosenfield, Mayor's Office

06/11/03 Amendment of the whole bearing the same title.

6/11/03, RECOMMENDED AS AMENDED AS A COMMITTEE REPORT.

Forwarded to the Board of Supervisors on 6/11/03.

030785 **[Interim Public Employment, Fiscal Year 2003-04]**

Supervisor Daly

Interim Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2004, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

Continued to June 11, 2003.

6/11/03, AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE. Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office; Ed Harrington, Controller; Ben Rosenfield, Mayor's Office

6/11/03, RECOMMENDED AS AMENDED AS A COMMITTEE REPORT

Forwarded to the Board of Supervisors on 6/11/03.

030787 **[Government Funding, Fiscal Year 2003-04]**

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR

Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

030788 **[Public Employment, Fiscal Year 2003-04]**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2004, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

6/11/03, CONTINUED TO CALL OF THE CHAIR.

Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

SPECIAL ORDER 10:15 AM

031030 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for the Art Commission, War Memorial, Academy of Sciences, Asian Art Museum, Fine Arts Museum, and Elections for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Richard Newirth, Director, Arts Commission; Elizabeth Murray, War Memorial; Robert Jenkin, Director, Steinhart Aquarium; Emily Sano, Director Asian Art Museum; Monique Zmuda, Deputy Controller, Controller's Office; Dee-Dee Wilsee; Harry Parker, Director, Fine Arts Museum; Ben Rosenfield, Mayor's Office; John Arntz, Acting Director, Elections; Ted Lakey, Deputy City Attorney; Adam Van De Water, Legislative Analyst's Office; Debra Newman, Budget Analyst's Office;

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

030868 **[Elimination of Paid Ballot Arguments]**

Mayor

Ordinance amending the Municipal Elections Code to amend Sections 500, 530, 535 and 585 and deleting Sections 555, 560, 565, 570 and 830 to eliminate paid ballot arguments from the Voter Information Pamphlet. (Mayor)

5/13/03, RECEIVED AND ASSIGNED to Finance and Audits Committee. Sponsor requests this item be calendared as soon as possible
5/23/03, TRANSFERRED to Budget Committee

Referred as a committee report with recommendation of do not pass.

RECOMMENDED AS COMMITTEE REPORT by the following vote:

Ayes: 3 - Daly, Maxwell, Gonzalez
Absent: 2 - Peskin, Ma

SPECIAL ORDER 2:00 PM

031031 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for the Human Rights Commission, Sheriff, Police Department, Business/Economic Development, Board of Appeals, Law Library, Redevelopment, and Treasure Island for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speaker; Virginia Harmon, Executive Director, Human Rights Commission; Aaron McGraff, Mayor's Office; Alex Fagan Sr., Chief of Police; Chief Fong, Police Dept.; male speaker, Ted Lakey, Deputy City Attorney; John Goldberg, Police Dept.; male police officer, Police Dept.; Michael Hennessey, Sheriff; Jean Mariani, Sheriff's Office; Ed Harrington, Controller; Robert Feldman, Executive Secretary, Board of Appeals; Ben Rosenfield, Mayor's Office; Annemarie Conroy, Executive Director, Treasure Island Development Authority; Marcia Rosen, Executive Director, Redevelopment Agency; Leamon Abrams, Mayor's Office of Business and Economics; male speaker, Mayor's Office of Business and Economics;

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 4 - Daly, Maxwell, Ma, Gonzalez
Absent: 1 - Peskin

030736 **[Appropriation, $3,974,184 - Police Department]**

Ordinance appropriating a total of $4,725,783 from the General Reserve, consisting of $4,230,573 for the Police Department to cover over-expenditures in overtime, fringe benefits, workers compensation and non-personal services, and $495,210 for the Sheriff's Department for overtime, fringe benefits, and food associated with the provision of mutual aid to the Police Department during the anti-war demonstrations, for fiscal year 2002-03. (Mayor)

(Fiscal impact; No Public Benefit Recipient.)

4/29/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

5/23/03, TRANSFERRED to Budget Committee.

Heard in Committee. Speakers: Alex Fagan Sr., Chief of Police; Chief Fong, Police Dept.; male speaker; Ted Lakey, Deputy City Attorney; John Goldberg, Police Dept.; male police officer, Police Dept.; Michael Hennessey, Sheriff; Jean Mariani, Sheriff's Office; Ed Harrington, Controller;

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating a total of $3,974,184 from the General Reserve for the Police Department to cover over-expenditures in overtime, fringe benefits, workers compensation and non-personal services for fiscal year 2002-03. (Mayor)

(Fiscal impact; No Public Benefit Recipient.)

RECOMMENDED AS AMENDED AS A COMMITTEE REPORT by the following vote:

Ayes: 3 - Daly, Ma, Gonzalez
Absent: 2 - Peskin, Maxwell

030984 **[Redevelopment Agency Budget, Fiscal Year 2003-2004]**

Mayor, Supervisor Daly

Resolution approving an Interim Budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 2003-2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

6/9/03, CONTINUED. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

Continued to June 11, 2003.

Heard in Committee. Speakers: Ben Rosenfield, Mayor's Office; Ed Harington, Controller; Ted Lakey, Deputy City Attorney.

REFERRED WITHOUT RECOMMENDATION by the following vote:

Ayes: 3 - Daly, Ma, Gonzalez
Absent: 2 - Peskin, Maxwell

031032 **[Treasure Island Development Authority Interim Budget, Fiscal Year 2003-2004]**

Mayor, Supervisor Daly

Resolution approving the Budget of the Treasure Island Development Authority for fiscal year 2003-2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Ben Rosenfield, Mayor's Office; Annemarie Conroy, Executive Director, Treasure Island Development Authority; Ed Harington, Controller; Ted Lakey, Deputy City Attorney.

06/12/03 - Divide into an Interim Treasure Island Development Authority Budget (031032) and a Treasure Island Development Authority Budget (031132).

DIVIDED.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution approving the Interim Budget of the Treasure Island Development Authority for fiscal year 2003-2004. (Mayor)

RECOMMENDED AS AMENDED AS A COMMITTEE REPORT by the following vote:

Ayes: 3 - Daly, Ma, Gonzalez
Absent: 2 - Peskin, Maxwell

031132 **[Treasure Island Development Authority Budget, Fiscal Year 2003-2004]**

Resolution approving the Budget of the Treasure Island Development Authority for fiscal year 2003-2004. (Budget Committee)

(Public Benefit Recipient.)

Divided from file 031032.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Daly, Ma, Gonzalez
Absent: 2 - Peskin, Maxwell

ADJOURNMENT

The meeting adjourned at 5:30 p.m.

[Budget Analyst Report]
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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

June 9, 2003

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TO: Budget Committee

FROM: Budget Analyst

SUBJECT: June 12, 2003 Budget Committee Meeting

Item 10 - File 03-0868

Department: Department of Elections

Item: Ordinance amending Sections 500, 530, 535 and 585 and deleting Sections 555, 560, 565, 570 and 830 of the Municipal Elections Code to eliminate paid ballot arguments from the Voter Information Pamphlet.

Description: Currently, the Municipal Elections Code contains numerous provisions for paid ballot arguments in the Voter Information Pamphlet. Such provisions include: the timing for submission to the Director of Elections, official proponent and opponent arguments, disclosure provisions, submittal of signatures in lieu of fees, publication procedures in the Voter Information Pamphlet, and ballot argument filing fees. The current ballot argument filing fees are $200 plus $2.00 per word, that must be paid by the author of the ballot argument to the Department of Elections at the time the argument is submitted.

The proposed ordinance would delete all references in the current Municipal Elections Code to paid ballot arguments and would therefore eliminate such ballot arguments from the Voter Information Pamphlet.

Comments:

1. The Department of Elections provided Attachment I, which shows the total Voter Information Pamphlet production costs, excluding Election staff costs of approximately $55,000 per election, and the revenues for each of the last four elections held in San Francisco. As shown in Attachment I, the number of paid ballot arguments has varied from a low of 134 in March of 2002 to a high of 487 in November of 2000. In the November of 2002 election, there were 348 paid ballot arguments. According to Ms. Suzanne Berg of the Department of Elections, the 348 paid ballot arguments accounted for 84 of the 272 pages, or approximately 31 percent of the overall Voter Information Pamphlet pages in November of 2002.

Based on the relative number of ballot argument pages, Ms. Berg advises that approximately 31 percent of the total $827,117 costs, or $255,433 is attributed to the paid ballot arguments for November of 2002. However, as shown in Attachment I, the Department of Elections only collected $138,336, or 54 percent of the costs of these ballot arguments from the current filing fees. The balance of $117,097 was paid by the Department of Elections, from the City's General Fund.

As shown in Attachment I, the number of pages required for these paid arguments and the associated costs and revenues have varied significantly by election. However, Ms. Berg advises that in all cases, the costs of including paid ballot arguments in the Voter Information Pamphlet far exceeds the revenues generated from the filing fees for paid ballot arguments.

2. Attachment II, provided by the Department of Elections, provides comparative information on the number of pages, paid arguments and costs of the Voter Information Pamphlets and the number of registered voters in four California counties (Alameda, Los Angeles, Sacramento and San Mateo) during the November of 2002 election. Ms. Berg notes that in all

of these other counties, the Voter Information Pamphlets are considerably smaller because San Francisco is the only county in California that includes paid ballot arguments in the Voter Information Pamphlet. The Budget Analyst notes that as shown in Attachment II, the cost of San Francisco's Voter Information Pamphlet is more than the cost of these counties overall and on a per registered voter basis, except for Alameda County. In contrast however, the Budget Analyst notes that the cost per page of San Francisco's Voter Information Pamphlet is significantly less expensive at $3,044 per page than any of these other counties, which range from $8,125 per page in San Mateo County to $16,620 per page in Alameda County.

3. The Department of Elections FY 2002-2003 and FY 2003-2004 budgets include $75,000 of revenues to be received from paid ballot arguments. However, Ms. Katie Petrucione of the Mayor's Office advises that the Department of Elections operating expenditures for FY 2003-2004 have been reduced by $500,000 to account for the elimination of the costs for the Department to provide paid ballot arguments for two elections in FY 2003-2004. Therefore, the Budget Analyst notes that, if the proposed ordinance is not approved to eliminate paid ballot arguments, the Department of Elections will not have sufficient funds in their FY 2003-2004 budget to provide paid ballot arguments in the Voter Information Pamphlet next fiscal year.

4. As an alternative to eliminating paid ballot arguments, Ms. Berg advises that increasing the filing fees from a base of $200 plus $2.00 per word to a base fee of $200 plus $5.50 per word would result in revenues of approximately $261,000[1], which would approximately cover the costs for the paid arguments, assuming the same number and size of paid

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[1] This assumption is based on 348 paid ballot arguments averaging 100 words per argument from the November of 2002 election. Assuming future arguments average 100 words per submission, charging a base fee of $200 plus $5.50 per word would generate approximately $750 per paid argument. Assuming a comparable 348 arguments are submitted, would generate approximately $261,000 ($750 x348).

arguments are filed and the costs are comparable to what occurred in the election held in November of 2002. Based on a study conducted by the Elections Commission, the Budget Analyst notes that (1) the number and size of paid arguments varies considerably in each election, (2) as the fees increase, fewer paid arguments may be submitted, (3) as the fees increase, more individuals would secure signatures in lieu of paying the higher fees, and such signatures are more costly for the Department of Elections to verify, (4) the Department does not know until the deadline when all arguments are submitted, how many arguments, and the number of pages and thus the total costs of the paid arguments, and (5) the revenues generated from these filing fees cannot legally exceed the costs for the paid arguments. Therefore, the Budget Analyst acknowledges, that although the filing fee could be increased, the precise amount of increase that would be required to cover the costs of the paid arguments cannot be determined, since the needed fees would vary for each election.

5. On March 19, 2003, the Elections Commission approved a resolution (Resolution 031903-1) stating that, given the City's FY 2003-2004 budget crisis, the Elections Commission received extensive public comments at its meeting as well as from other sources, and the Elections Commission concluded that Department funds, staff and resources are insufficient to continue to support the net costs which result from permitting paid ballot arguments. Therefore, the Elections Commission recommended that paid ballot arguments be eliminated from the Voter Information Pamphlet.

Recommendation: Given that (1) San Francisco is the only county in California that includes paid ballot arguments in the Voter Information Pamphlet, (2) the Department of Elections operating expenditures for FY 2003-2004 have been reduced by $500,000 to account for the elimination of the costs for the Department to provide paid ballot arguments for two elections in FY 2003-2004, such that the Department of Elections will not have sufficient funds in their FY 2003-2004 budget to provide paid ballot arguments in the Voter

Information Pamphlet, (3) the ability to increase the filing fees needed to cover the costs of the paid arguments cannot be precisely determined, as discussed above in Comment No. 4, and (4) the Elections Commission approved a resolution recommending that paid ballot arguments be eliminated from the Voter Information Pamphlet, the Budget Analyst would normally recommend approval of the proposed ordinance. However, the Budget Analyst believes that approval of this ordinance is a policy matter for the Board of Supervisors.

Attachment I

Voter Information Pamphlet Production Costs

Election	Paid Arguments Filed	Pages	Translation Layout	Printing	Mailhouse	Postage	TOTAL	Paid Argument Fees - Revenue	Difference
Nov-02	348	272	240,000	418,565	46,700	121,852	827,117	138,336	688,781
Mar-02	134	104	55,500	344,112	72,228	123,300	595,140	17,482	577,658
Nov-01	135	128	45,492	237,884	32,883	162,757	479,016	23,100	455,916
Nov-00	487	248	47,280	414,350	47,664	114,508	623,802	106,599	517,203

Note: 11/02 includes translation of Paid Arguments

Attachment II

Election Date	County	Pages in VIP	Approx. Registered Voters	Paid Arguments Allowed	Costs to produce VIP	Average Cost per VIP
11/02	San Francisco	272	450,000	Yes	$828,000	$1.84
11/02	Alameda	50	332,000	No	$831,000	$2.50
11/02	Los Angeles	55	4,167,000	No	$530,000	$.13
11/02	Sacramento	48	594,000	No	$680,000	$1.14
11/02	San Mateo	48	332,000	No	$390,000	$1.17
*Data provided by each respective County Department of Elections						

Item 12 - File 03-0736

Department:	Police Department Sheriff's Department
Item:	Ordinance appropriating a total of $4,725,783 from the General Fund – General Reserve, consisting of a) $4,230,573 for the Police Department to fund over-expenditures in overtime, fringe benefits, and non-personal services related to anti-war demonstrations and a projected expenditure deficit in Police Department Workers' Compensation costs, and b) $495,210 for the Sheriff's Department for overtime, fringe benefits, and food associated with the provision of mutual aid to the Police Department during the anti-war demonstrations, for Fiscal Year 2002-03.
Amount:	$4,725,783
Source of Funds:	General Fund – General Reserve
Description:	The proposed Supplemental Appropriation Ordinance would provide funding for Police and Sheriff overtime and related costs associated with anti-war demonstrations during FY 2002-2003 and a projected expenditure deficit in Police Department Workers' Compensation costs. The budget for the proposed supplemental appropriation is displayed below.

Police Department		
Overtime - Uniform	$ 3,132,880	
Food, Materials and Supplies	141,979	
Subtotal	3,274,859	
Mandatory Fringe Benefits	46,095	
Workers Compensation	909,619	
Police Total		$4,230,573
Sheriff's Department		
Overtime – Uniform	$ 462,461	
Overtime – Miscellaneous	16,469	
Mandatory Fringe Benefits	9,548	
Holiday Pay – Uniform	105	
Food	6,627	
Sheriff Total		495,210
Total		$4,725,783

Attachment I to this report, provided by Captain John Goldberg of the Police Department, details Police Overtime costs of $3,181,506 and Food and Materials and Supplies costs of $147,544 ($78,730 for food and $68,814 for materials and supplies) associated with Police deployment for anti-war demonstrations on the dates shown in Attachment I, for total expenditures of $3,329,050. However, as noted in the table above, the amounts requested in the Supplemental Appropriation Ordinance are $3,132,880 for overtime and $141,979 for food and materials and supplies, for a total of $3,274,859 or $54,190 less than the Attachment I costs provided by the Police Department.

In addition, the proposed Supplemental Appropriation Ordinance includes $46,095 for Mandatory Fringe Benefits related to Overtime pay and $909,619 for Workers' Compensation expenditures. Attachment II is a letter from Mr. Minh Vu, Deputy Director of the Human Resources Department explaining the projected Police Department's Workers Compensation budget deficit of $909,619.

Overall, the Mayor's Budget Office estimated that the Police Department's total projected FY 2002-2003 expenditure deficit, will be $9,412,157, of which a total of $4,230,573 (see prior page) will be covered by the proposed Supplemental Appropriation Ordinance, leaving a balance of $5,181,584. The Mayor's Budget Office proposes to fund the $5,181,584 balance of the projected expenditure deficit ($9,412,157 less $4,230,573) through budgetary transfers from other sources (See Comment 1).

Attachment III provides the expenditure details, by date, for the $495,210 portion of the Supplemental Appropriation Ordinance for the Sheriff's anti-war demonstration expenditures.

Overall, the Mayor's Budget Office estimated that the Sheriff's Department would have a total projected Salaries and Benefits expenditure deficit, including Overtime ($2,256,000), and food for jail inmates ($2,200,000) of $4,456,000. The Mayor's Budget Office proposes to fund the $3,960,790 balance of the projected

Salaries and Benefits expenditure deficit, including Overtime and food ($4,456,000 less $495,210) through budgetary transfers from other sources (see Comment 2).

Comments:

1. As noted above, the Mayor's Budget Office is proposing to cover the remaining Police Department expenditure deficit of $5,181,584 through budget transfers from other sources. The Mayor's Budget Office budget transfers are identified below:

Mayor's Budget Transfers to Cover Remaining Police Department Expenditure Deficit

Reimbursed Expense for Bike Race	$ 350,000
Cancel Equipment Purchase in current FY 2002-2003	1,731,584
Fund FY 2002-2003 Police 911 charges with Emergency Communications 911 Fee Revenues	2,500,000
Project Closeout	200,000
Defer Academy Class of 46 Recruits	400,000
	$5,181,584

The Budget Analyst has reviewed the Police Department's latest General Fund spending projections provided by the Controller, through the pay period ending May 23, 2003, and projects that the need for new General Fund support is $252,110 less than the Mayor's Budget Office projected deficit of $9,412,157. Therefore, the Budget Analyst recommends that the proposed Supplemental Appropriation Ordinance for the Police Department be reduced by $252,110.

2. As noted above, the Mayor's Budget Office estimated that the Sheriff's Department would have a total projected Salaries and Mandatory Fringe Benefits expenditure deficit of $4,456,000, comprised of a $2,256,000 expenditure deficit for Salaries and Mandatory Fringe Benefits, including Overtime, and $2,200,000 for food for jail inmates. Besides the amount provided by the proposed Supplemental Appropriation Ordinance of $495,210 for the Sheriff's Department, the Mayor's Budget Office has identified the following budget

transfers that can be applied to the total projected Sheriff's Department expenditure deficit.

Mayor's Budget Transfers to Cover Remaining Sheriff Expenditure Deficit

Jail Bonds- reimbursement of Sheriff's costs	$2,375,000
Equipment Leasing reductions	107,000
Deferral of Planning for Sheriff's Indoor Shooting Range Project	300,000
Materials and Supplies Surplus	220,000
DTIS Services	20,000
Charging Other Funds	50,000
MOU Reserve	768,189
Facilities Maintenance	150,000
Phase Out Residential Treatment Beds[1]	270,000
Total Sources	$4,260,189

The proposed Supplemental Appropriation for the Sheriff's Department of $495,210 and the $4,260,189 in budget transfers shown in the table above provides total funding of $4,755,399 or $299,399 more than the total projected Sheriff's Department expenditure deficit of $4,456,000. In addition, Ms. Jean Mariani of the Sheriff's Department now projects that the expenditure deficit for food for jail inmates will be $2,000,000 or $200,000 less than the $2,200,000 amount assumed by the Mayor's Budget Office, reducing the Sheriff's Department's expenditure deficit to $4,256,000, which is $4,189 less than the $4,260189 of budget transfers identified by the Mayor's Budget Office and detailed in the table above. Therefore, the Budget Analyst recommends that the proposed Supplemental Appropriation amount of $495,270 for the Sheriff's Department be disapproved since the proposed budget transfers would more than cover the needed expenditures.

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[1] The Sheriff's FY 2002-2003 budget included $1,700,000 for 92 Residential Drug Treatment Beds to serve prisoners during the last six months of their sentence by placing them on parole instead of detaining them in custody. These 92 Residential Drug Treatment Beds have been deleted from the Sheriff's FY 2003-2004 budget as recommended by the Mayor.

3. As explained in Comments 1 and 2, based on the proposed Supplemental Appropriation Ordinance and budget transfers identified by the Mayor's Budget Office, total funding available for the Police Department's and Sheriff's Department combined expenditure deficit can be reduced by $751,599 ($252,110 plus $499,489). Because the Controller's Nine Month Budget Status Report, issued on May 1, 2003 assumed that the entire $4,725,783 amount of the Supplemental Appropriation Ordinance would be necessary, the $751,599 recommended reduction would be available as a new source of funds for the FY 2003-2004 budget and could be reallocated by the Budget Committee.

Recommendation: Reduce the proposed Supplemental Appropriation Ordinance by $751,599, from $4,725,783 to $3,974,184, as explained in Comments 1, 2 and 3 above. The Budget Analyst will work with the Controller's Office to make the necessary amendments to the proposed ordinance. As noted in Comment 3, the $751,599 recommended reduction would be available as a new source of funds for the FY 2003-2004 budget and could be reallocated by the Budget Committee.

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Maxwell
Supervisor Ma
President Gonzalez
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

Anti-War Demonstrations - Supplemental
(Overtime Only)

Date	Event	Cost	Comments
10/6/02	Demonstration	$ 6,258	#020680 - Not in Our Name
10/10/02	Demonstration	$ 1,838	#020748 - Anti-War Demo and March
10/26/02	Demonstration	$ 120,189	#020731 - Anti - No War
10/29/02	Demonstration	$ 1,269	#020805 - Stop the War Demo - Sen. Feinstein's Ofc.
11/20/02	Demonstration	$ 305	#020843 - CCSF Anti Bush Days of Action Protest and March
12/6/02	Demonstration	$ 646	#020882 - No War Against Iraq
1/18/03	Demonstration	$ 76,103	#030033 - Anti-War
1/28/03	Demonstration	$ 991	#030093 - Not in Our Name March and Rally
2/16/03	Demonstration	$ 122,749	#030065 - Anti-War Protest
3/15/03	Demonstration	$ 94,860	#030153 - A.N.S.W.E.R. Anti-War Demo
3/17/03	Demonstration	$ 18,737	#030169 - Stop the War
3/19/03	Demonstration	$ 20,885	#030176 - Anti-War Demo
	Demonstration	$ 4,332	#030179 - Anti-War Demo
3/20/03	Demonstration	$ 782,257	#030177 - Anti-War Demo - 1 day after War
3/21/03	Demonstration	$ 771,521	#030181 - Anti-War Demo - 2nd day after War
3/22/03	Demonstration	$ 478,118	#030182 - Ant-War Demo - 3rd day after War
3/23/03	Demonstration	$ 48,650	#030183 - Anti-War Demo - 4th day after War
3/24/03	Demonstration	$ 481,975	#030187 - Anti-War Demo - 5th day after War
3/25/03	Demonstration	$ 69,451	#030188 - Anti-War Demo - 6th day after War
3/29/03	Demonstration	$ 6,476	#030192 - Anti-War Demo
4/2/03	Demonstration	$ 1,251	#030304 - Anti-War Die In
4/7/03	Demonstration	$ 17,875	#030297 - Anti-War Demo
4/12/03	Demonstration	$ 54,769	#030309 - Stop the War
Total Overtime		**$ 3,181,506**	

Anti-War Demonstrations - Supplemental
(Food and M&S)

Date	Event	Cost	Comments
1/18/03	Food	$ 3,631	
2/16/03	Food	$ 2,100	
3/15/03	Food	$ 2,460	
3/20/03	Food	$ 6,987	
3/21/03	Food	$ 17,297	*Includes Sandwiches from Safeway on 3/20/03
3/22/03	Food	$ 7,821	
3/24/03	Food	$ 14,221	
	Water	$ 3,450	
3/25/03	Food	$ 7,420	
3/26/03	Food	$ 3,164	
3/29/03	Food	$ 2,984	
4/7/03	Food	$ 4,991	
4/12/03	Food	$ 2,204	
Total	**Food**	**$ 78,730**	
3/20/03	Gas	$ 5	
	Damage To Vehicles	$ 588	
3/21/03	Fire Extinguishers	$ 432	
	Damage To Vehicles	$ 216	
	M&S (From Victor 3/28/03)	$ 61,755	
	Portable Toilets/Sink	$ 1,585	
	Portable Heaters	$ 334	
	Rent - Pier 27	$ 3,900	
Total	**M&S**	**$ 68,814**	
Grand Total		**$ 3,329,049**	

HUMAN RESOURCES
CITY & COUNTY OF SAN FRANCISCO
Andrea R. Gourdine, Human Resources Director

Attachment II

MEMORANDUM

DATE: April 22, 2003

TO: Captain John Goldberg, Fiscal Division, Police Department
Sergeant Michael Folena, Police Department

FROM: Minh Vu, Deputy Director MV

SUBJECT: **WORKERS' COMPENSATION COST PROJECTION**

As requested, below are the current fiscal year's workers' compensation cost data for the Police Department:

Actual paid from July 1, 2002 to March 31, 2003	$6,323,221
Projected payments for FY 02-03	$8,302,797
Workers' compensation budget for FY 02-03	$7,393,178
Projected workers' compensation budget deficit	$ 909,619

The Workers' Compensation Division has projected the fiscal year-end costs based on payments to date, with adjustments for any one-time extraordinary expenses. Please note that the projected costs are only our best estimates at this time and do not take into account any unforeseen events. You should expect actual expenditures to vary slightly from the projection, even if there is no unusually large expenditure in the remaining months.

Please call if you have any further questions.

cc: Benjamin Feng

Sheriff's Department
Antiwar Demonstrations Supplemental Appropriation Request
Overtime and Food Costs

Date	Event	Overtime Costs
Overtime Costs		
01/18/03	Demonstration	16,862
02/16/03	Demonstration	14,270
03/15/03	Demonstration	22,787
03/20/03	Demonstration	63,072
03/21/03	Demonstration	59,539
03/22/03	Demonstration	35,922
03/23/03	Demonstration	5,110
03/24/03	Demonstration	44,909
03/25/03	Demonstration	6,268
03/26/03	Demonstration	279
03/28/03	Demonstration	3,503
03/29/03	Demonstration	7,170
Total Demonstration Coverage Overtime		279,691
Overtime Costs to Backfill Jail Staff Detailed to Demonstration Duty		208,892
Total Overtime Costs		488,583
Food Costs		
03/15/03	Demonstration	559
03/20/03	Demonstration	605
03/21/03	Demonstration	2,127
03/22/03	Demonstration	798
03/24/03	Demonstration	2,176
03/29/03	Demonstration	363
Total Food Costs		6,627
Grand Total		495,210

BOARD of SUPERVISORS

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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Budget Committee scheduled for Thursday, June 19, 2003 at 1:00 p.m., at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

City and County of San Francisco
Meeting Minutes
Budget Committee

Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma and Matt Gonzalez

Clerk: Victor Young

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, June 25, 2003 **9:30 AM** **Legislative Chambers, Second Floor**

Special Meeting

Members Present: Chris Daly, Aaron Peskin, Fiona Ma, Matt Gonzalez, Gerardo Sandoval, Bevan Dufty.

Members Absent: Sophie Maxwell.

Meeting Convened

The meeting convened at 9:40 a.m.

President Gonzalez appointed Supervisor Sandoval to the Budget Committee for the meeting of June 25, 2003.

President Gonzalez appointed Supervisor Dufty to the Budget Committee for the meeting of June 25, 2003 for discussion on File No. 031107.

REGULAR AGENDA

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030786 **[Annual Budget, Fiscal Year 2003-04]**

Mayor

Hearing to consider the Mayor's proposed 2003-04 budget for the City and County of San Francisco. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR.

6/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office

Heard in Committee. Speakers: Lois Renne; Mr. Miller; Rachael Annison; Denise McCarthey; Lin Jackovich; male speaker; Rebeca Silverberg; Sedina Baldwin; David Drell; Sandy Tong; Brian Hennen; Ms. Nuso; Meloney Allen; Jean Nickleson; Cladia Jason; David Anderson; male speaker; Steve Marki; Sara Bin; Beverly Upton; Mathew McDolton; Melisa Say; Diana Lum; Alisa VanNort; Mary Harris; female speaker; Michael Fredon; Jim Corigan; Alma Robison; Juiles Roy; Shawka Diek; Peter Green; Mike Greg; Carl Warren; Mike Gonzalez; James Green; Frank Kelly, Local 798; Tony Sacco; Debra Rebel, Local 21; Chris Amaro; Joe Wilson, Coleman Advocates; Carmen Lewis; Marshall Philips; Sara Loreson; John Darmin; Fay Row; Barbara Blong; Dilbert Scott; John Hanley; Scott Peoples; male speaker; David Johnson; Mike Delane; Robert Blane; Brett Everett; Paul Conroy.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Daly, Peskin, Gonzalez
Absent: 3 - Maxwell, Ma, Sandoval

030787 **[Government Funding, Fiscal Year 2003-04]**

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR.

6/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office

Heard in Committee. Speakers: Lois Renne; Mr. Miller; Rachael Annison; Denise McCarthey; Lin Jackovich; male speaker; Rebeca Silverberg; Sedina Baldwin; David Drell; Sandy Tong; Brian Hennen; Ms. Nuso; Meloney Allen; Jean Nickleson; Cladia Jason; David Anderson; male speaker; Steve Marki; Sara Bin; Beverly Upton; Mathew McDolton; Melisa Say; Diana Lum; Alisa VanNort; Mary Harris; female speaker; Michael Fredon; Jim Corigan; Alma Robison; Juiles Roy; Shawka Diek; Peter Green; Mike Greg; Carl Warren; Mike Gonzalez; James Green; Frank Kelly, Local 798; Tony Sacco; Debra Rebel, Local 21; Chris Amaro; Joe Wilson, Coleman Advocates; Carmen Lewis; Marshall Philips; Sara Loreson; John Darmin; Fay Row; Barbara Blong; Dilbert Scott; John Hanley; Scott Peoples; male speaker; David Johnson; Mike Delane; Robert Blane; Brett Everett; Paul Conroy.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Daly, Peskin, Gonzalez
Absent: 3 - Maxwell, Ma, Sandoval

030788 **[Public Employment, Fiscal Year 2003-04]**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2004, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR.

6/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

Heard in Committee. Speakers: Lois Renne; Mr. Miller; Rachael Annison; Denise McCarthey; Lin Jackovich; male speaker; Rebeca Silverberg; Sedina Baldwin; David Drell; Sandy Tong; Brian Hennen; Ms. Nuso; Meloney Allen; Jean Nickleson; Cladia Jason; David Anderson; male speaker; Steve Marki; Sara Bin; Beverly Upton; Mathew McDolton; Melisa Say; Diana Lum; Alisa VanNort; Mary Harris; female speaker; Michael Fredon; Jim Corigan; Alma Robison; Juiles Roy; Shawka Diek; Peter Green; Mike Greg; Carl Warren; Mike Gonzalez; James Green; Frank Kelly, Local 798; Tony Sacco; Debra Rebel, Local 21; Chris Amaro; Joe Wilson, Coleman Advocates; Carmen Lewis; Marshall Philips; Sara Loreson; John Darmin; Fay Row; Barbara Blong; Dilbert Scott; John Hanley; Scott Peoples; male speaker; David Johnson; Mike Delane; Robert Blane; Brett Everett; Paul Conroy.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Daly, Peskin, Gonzalez
Absent: 3 - Maxwell, Ma, Sandoval

SPECIAL ORDER 10:15 AM

030939 **[Budget Hearing and Review, FY 2003-04]**

Hearing to consider the Annual Budget for the Treasurer-Tax Collector for fiscal year 2003-2004. (Clerk of the Board)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

6/5/03, CONTINUED TO CALL OF THE CHAIR. speaker, Local 21; Mr. Moralez; Susan Leal, Treasurer-Tax Collector; Ed Harrington, Controller;

Heard in Committee: Susan Leal, Treasurer-Tax Collector; Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Attorney; Ed Harington, Controller.

FILED by the following vote:

Ayes: 3 - Daly, Peskin, Gonzalez
Absent: 3 - Maxwell, Ma, Sandoval

030791 **[Budget Hearing and Review, FY 2003-04]**

Hearing to consider the Annual Budget for the San Francisco Airport for fiscal year 2003-2004.

5/6/03, RECEIVED AND ASSIGNED to Budget Committee.

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: John Martin, Director, SF Airport; female speaker, SF Airport; Monique Zmuda, Deputy Controller; Ted Lakey, Deputy City Attorney.

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: John Martin, Airport; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller; Olie Sether, Operation Supports, Airport; Harvey Rose, Budget Analyst; Ken Bruce, Budget Analyst's Office; Ms. Ito, Airport Commission; Ted Lakey, Deputy City Attorney; female speaker;

Heard in Committee. Speakers: Ben Rosenfield, Mayor's Office; John Martin, Director; Ed Harrington, Controller.

Continued to July 10, 2003.

CONTINUED by the following vote:

Ayes: 4 - Daly, Peskin, Ma, Gonzalez
Absent: 1 - Maxwell

031025 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for the Controller, Public Library, Telecommunications and Information Services, Fire Department, Human Resources, and Civil Service Commission for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED. Heard in Committee. Speakers: Ed Harrington, Controller; Susan Hildreth, Library; Lewis Loeven, Director, DTIS; Mario Trevino, Chief, Fire Department; Ben Rosenfield, Mayor's Office; Chirstine Regan, Chief Financial Officer, Fire Department; Adrea Gourdine, Director, Human Resources; Kate Favetti, Executive Officer, Civil Service Commission.

Continued to June 25, 2003.

Heard in Committee. Speakers: Ed Harrington, Controller; Harvey Rose, Budget Analyst; Susan Hildreth, Library; George Nickles, Library; Ben Rosenfield, Mayor's Office; Lewis Loeven, Director, DTIS; Ted Lakey, Deputy City Attorney; Mario Trevino, Chief, Fire Department; Allen Gibson, Budget Analyst's Office; Supervisor Sandoval; Steve Kawa, Mayor's Office; Ray Baserine, Assistant Chief of Operation, Fire Department; Ken Bruce, Budget Analyst's Office; Lorie Kalos, Deputy Chief, Fire Department; Ms. White, Deputy Chief, Fire Department; Garret Mustani, Fire Department; Dr. Marshall Isac, Fire Department;Christian Regan, Fire Department; Adrea Gourdine, Director, Human Resourses; Elaine Forbes, Budget Analyst's Office; Kate Favetti, Executive Officer, Civil Service Commission.

FILED by the following vote:

Ayes: 3 - Daly, Peskin, Gonzalez
Absent: 3 - Maxwell, Ma, Sandoval

031026 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for Administrative Services/Public Works (Includes Consumer Assurance, Medical Examiner, Animal Care and Control, Convention Facilities, Office of Contract Administration, and Public Works), Ethics Commission, Human Services, Adult Probation, Department on the Status of Women, Emergency Communications, General City Responsibility, Entertainment Commission, and County Education Fund for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

6/9/03, CONTINUED. Heard in Committee. Speakers: Darryl Burton, Administrative Services; Bill Lee, City Administrator; Dr. Stevens; Ben Rosenfield, Mayor's Office; male speaker; female speaker; male speaker; Ed Lee, Director, Public Works; Ginny Vida, Ethics Commission; David Planthold; Trent Rhorer, Human Services; Michele Rutherford; Ed Harrington, Controller; Armando Cervantes, Chief Probation Officer, Adult Probation; Belle Taylor-McGhee, Director, Commission on the Status of Women; Daniel Sullivan, Acting Director, Emergency Communications.

Heard in Committee. Speakers: Gina Vida, Ethics Commission; male speaker, Administrative Services; Monique Zmuda, Deputy Controller; Belle Taylor McGhee, Director, Comission on the Status of Women; Tina Olson, Public Works; Ed Lee, Director, Public Works; Mr. Robinson, Budget Analyst's Office; Armando Cervantes, Chief Probation Officer; Severan Cambell, Adult Probation; Harvey Rose, Budget Analyst; Ben Rosenfield, Mayor's Office; Daniel Sullivan, Acting Director, emergency Communication; Trent Rhorer, Human Services; female speakers, Fraud Unit, Human Services.

FILED by the following vote:

Ayes: 3 - Daly, Peskin, Gonzalez
Absent: 3 - Maxwell, Ma, Sandoval

030982 **[Setting Controller's fees for issuing a property tax certificate or a replacement W-2 form]**

Mayor

Ordinance amending the San Francisco Administrative Code by adding Section 8.41, to authorize the Controller to collect a fee of $40 for issuing a property tax certificate under Government Code Section 66492 and a fee of $20.00 for issuing a replacement W-2 form. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Ed Harrington, Controller; Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 4 - Daly, Peskin, Ma, Gonzalez
Absent: 1 - Maxwell

030990 **[Library Fines and Fees]**

Mayor

Ordinance amending the San Francisco Administrative Code by amending Section 8.21-2 to (1) adopt a materials recovery fee and (2) authorize the Library Commission to develop policies and procedures to allow the City Librarian to reduce or waive fees in the case of demonstrated financial hardship. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

Heard in Committee. Speakers: Susan Hildreth, Library; Harvey Rose, Budget Analyst.

TABLED by the following vote:

Ayes: 4 - Daly, Peskin, Ma, Gonzalez
Absent: 1 - Maxwell

030882 **[Reserved Funds, Fire Department]**

Hearing to consider release of reserved funds, Fire Department fiscal year 2002-2003 budget, in the amount of $161,138 ($143,345 in salaries and $17,793 in mandatory fringe benefits) for five Training Officers. (Fire Department)

5/15/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

6/4/03, TRANSFERRED to Budget Committee.

Heard in Committee. Speakers: Mario Trevino, Chief, Fire Department; Ben Rosenfield, Mayor's Office; Harvey Rose, Budget Analyst.

FILED by the following vote:

Ayes: 4 - Daly, Peskin, Ma, Gonzalez
Absent: 1 - Maxwell

030980 **[Establishing an Administrative Services Vehicle Leasing Program Fund]**

Mayor

Ordinance amending the San Francisco Administrative Code by adding Section 10.100-9, to establish an Administrative Services Vehicle Leasing Program Fund. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

RECOMMENDED by the following vote:

Ayes: 4 - Daly, Peskin, Ma, Gonzalez
Absent: 2 - Maxwell, Sandoval

030981 **[Increasing the Emergency Response Fee imposed on telephone subscribers]**

Mayor

Ordinance amending Article 10A of the Business and Tax Regulations Code by amending Sections 753 and 755 to increase the per-line Emergency Response Fee imposed on telephone subscribers, as well as the maximum total fee that may be imposed on a subscriber. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Mr. Sulivan, Emergency Communication Department; Harvey Rose, Budget Analyst; Ben Rosenfield, Mayor's Office.

REFERRED WITHOUT RECOMMENDATION by the following vote:

Ayes: 4 - Daly, Peskin, Ma, Gonzalez
Absent: 2 - Maxwell, Sandoval

030943 **[Reserved Funds, Human Resources Department]**

Hearing to consider release of reserved funds, Human Resources Department fiscal year 2002-2003 budget, in the amount totaling $253,875 (temporary salaries-$53,875; professional and Specialized Services-$200,000), to support the City's negotiations with its labor unions. (Human Resources Department)

5/29/03, RECEIVED AND ASSIGNED to Finance and Audits Committee

6/4/03, TRANSFERRED to Budget Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst.
Release of reserves in the amount of $113,423 approved.

APPROVED AND FILED by the following vote:

Ayes: 4 - Daly, Peskin, Ma, Gonzalez
Absent: 3 - Maxwell, Sandoval, Dufty

030944 **[Reserved Funds, Human Resources Department]**

Hearing to consider release of reserved funds, Human Resources Department fiscal year 2002-2003 budget, in the amount of $91,722, to cover the current year's expenditures on the Management Classification and Compensation Plan (MCCP). (Human Resources Department)

5/29/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

6/4/03, TRANSFERRED to Budget Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst.

FILED by the following vote:

Ayes: 4 - Daly, Peskin, Ma, Gonzalez
Absent: 2 - Maxwell, Sandoval

PUBLIC BUDGET TESTIMONY- 6:00 PM

031107 **[Input on the City's Budget for fiscal year 2003-2004.]**

Supervisor Daly

Hearing to consider the public's input on the San Francisco City and County Budget for fiscal year 2003-2004.

(No fiscal impact.)

6/17/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: All speaker cards available for review. Individual speakers not listed due to computer restrictions.

FILED by the following vote:

Ayes: 4 - Daly, Peskin, Ma, Gonzalez
Absent: 2 - Maxwell, Sandoval

ADJOURNMENT

The meeting adjourned at the hour of 2:22 a.m.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

DOCUMENTS DEPT.
JUN 25 2003
SAN FRANCISCO
PUBLIC LIBRARY

June 23, 2003

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: Recommendations of the Budget Analyst for Amendment of the Mayor's Fiscal Year 2003-2004 Budget.

The Budget Analyst is providing the attached budget recommendations for departments listed below which are the subject of the Budget Committee budget hearing.

Budget Committee Budget Review-June 25, 2003

Page

Special Order 10:15 a.m.

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CON Controller 6
LIB Public Library 11
TIS Telecommunications & Information Services 20
FIR Fire Department 25
HRD Human Resources 55
CSC Civil Service Commission 71
ADM Administrative Services 73

CME Medical Examiner 88
CFM Convention Facilities Mgt. 91
DPW Public Works 95
ETH Ethics Commission 105
DHS Human Services 108
ADP Adult Probation 120
WOM Status of Women 125
ECD Emergency Communications 128
GEN General City Responsibility 136
USD County Education 140

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Maxwell
Supervisor Ma
President Gonzalez
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: TTX – TREASURER-TAX COLLECTOR

FINANCIAL DATA:

The Treasurer-Tax Collector's proposed $18,696,835 budget for FY 2003-2004 is $326,718 or 1.72 percent less than the original FY 2002-2003 budget of $19,023,553. The net decrease from the revised FY 2002-2003 budget is also $326,718 or 1.72 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Increase (Decrease) 2002-2003 Original Budget
LEGAL SERVICE	$ 608,928	$ 608,928	$ 605,732	$ (3,196)
TREASURY	2,208,450	2,208,450	2,336,963	128,513
INVESTMENT	458,332	458,332	451,294	(7,038)
PROPERTY TAX/LICENSING	2,175,419	2,175,419	2,146,741	(28,678)
BUSINESS TAX	5,500,516	5,500,516	5,239,493	(261,023)
TAXPAYER ASSISTANCE	960,671	960,671	926,782	(33,889)
DELINQUENT REVENUE	3,463,478	3,463,478	3,478,682	15,204
ADMINISTRATION	1,682,602	1,682,602	1,616,546	(66,056)
TAX ASSESSMENT	536,321	536,321	567,399	31,078
Net Expenditures	$ 17,594,717	$ 17,594,717	$ 17,369,632	$ (225,085)
Work Order Recoveries	1,428,836	1,428,836	1,327,203	(101,633)
Total Expenditures	$ 19,023,553	$ 19,023,553	$ 18,696,835	$ (326,718)

DEPARTMENT: **TTX – TREASURER-TAX COLLECTOR**

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs for FY 2003-2004. The number of full-time equivalent positions budgeted for FY 2003-2004 is 186.37 FTEs, which is 1.76 FTE more than the 184.61 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
LEGAL SERVICE	5.77	5.76	(0.01)
TREASURY	31.46	29.69	(1.77)
INVESTMENT	5.45	4.87	(0.58)
PROPERTY TAX/LICENSING	14.68	17.80	3.12
BUSINESS TAX	45.21	44.62	(0.59)
TAXPAYER ASSISTANCE	11.94	11.63	(0.31)
DELINQUENT REVENUE	48.24	50.50	2.26
ADMINISTRATION	14.68	13.78	(0.90)
TAX ASSESSMENT	7.18	7.72	0.54
Totals	184.61	186.37	1.76

The increase of 1.76 FTEs is primarily due to the annualization of new positions added to the budget in FY 2002-2003 and the addition of two new positions, budgeted in FY 2003-2004 as follows: 0.75 FTE 1630 Account Clerk and 0.75 FTE 4220 Personal Property Auditor. The Budget Analyst is recommending approval of the proposed new 0.75 FTE Personal Property Auditor position because the Department estimates it will produce over $1,000,000 in revenue each year. The Budget Analyst is recommending disapproval of the proposed new 0.75 FTE 1630 Account Clerk, which is for the False Alarm Prevention Program, because actual collections to date for the False Alarm Prevention Program, totaling $54,260, do not justify an additional new 1630 Account Clerk at an annual salary cost of $44,866. The Budget Analyst recommends that the Budget Committee request a written progress report from the Treasurer-Tax Collector in six months reporting on how much revenue was realized as a direct result of the new position 4220 Personal Property Auditor.

DEPARTMENT: TTX – TREASURER-TAX COLLECTOR

DEPARTMENT REVENUES

Department revenues have increased by $524,555 or 11.51 percent and General Fund support has decreased by $749,640 or 5.75 percent.

DESCRIPTION

In FY 2003-2004, the Department's proposed budget shows a net decrease of is $326,718, which is a result of the following changes: (a) Permanent Salaries, Temporary Salaries and Overtime are increasing by $385,687 due to two new positions as well as various reclassifications, substitutions and step adjustments, (b) Mandatory Fringe Benefits is decreasing by $456,948, (c) Travel and Training are decreasing by a total of $4,120, (d) Employee Field Expenses and Membership Fees are increasing by $6,653, (e) Materials & Supplies is decreasing by $53,683, (f) Professional & Specialized Services is decreasing by $4,927, (g) Maintenance Services is increasing by $49,996, (h) Rent and Utilities are decreasing by a total of $1,250, (i) Other Current Expenses is increasing by $80,759 and (j) Services of Other Departments is decreasing by $328,885.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-2004

Department: TTX

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
FCM								
3029	040	Materials & Supplies				$23,077	$5,250	$17,827
		Reduce to actual FY 2002-2003 expenditure level, adjusted for cost of living factor. Overall the Department has budgeted $235,835 for Materials & Supplies.						
FCN								
3031	001	Permanent Salaries - Misc.				283,549	249,900	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific reductions regarding individual classifications.						
3042	001	Account Clerk	1630N	0.75	0.00	33,649	0	33,649
		Deny one new 1630 Account Clerk position (0.75 FTE) for the False Alarm Prevention Program. In FY 2002-2003, the Department obtained approval for two limited tenure 1630 Account Clerk positions and one limited tenure 4308 Senior Collections Officer for the False Alarm Prevention Program at a total budgeted salary cost of $110,802 for FY 2002-2003 and an annualized total salary cost for FY 2003-2004 of $147,690. In the FY 2002-2003 budget, the Budget Analyst recommended designating these three positions as limited tenure because workload data to justify these positions was not available. As of the writing of this report, the False Alarm Prevention Program has collected $54,260 from owners of building alarm systems for the Emergency Communications Department for the period from July 1, 2002 through June 11, 2003. The actual collections to date of $54,260, do not appear to even justify the existing three full-time collections positions at an annual salary cost of $147,690 plus estimated fringes of $28,061, for a total annual cost of $175,751, let alone one more position as is now being requested. However, now the Department is requesting one new (0.75 FTE) 1630 Account Clerk, at an additional annual salary and fringe benefit cost of $40,042 for FY 2003-2004 at 0.75 FTE. The Budget Analyst recommends denying the new 1630 Account Clerk (0.75 FTE) for the False Alarm Prevention Program. The Budget Analyst will recommend the appropriate reduction in the Emergency Communications Department's workorder to the Treasurer/Tax Collector for the deleted 1630 Account Clerk.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

epartment: TTX

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
31	013	Mandatory Fringe Benefits				$62,938	$56,545	$6,393
		Corresponds to the reduction in Permanent Salaries.						
CO								
33	040	Materials & Supplies				27,000	23,000	4,000
		Reduce to actual FY 2002-2003 expenditure level, adjusted for cost of living factor. Overall the Department has budgeted $235,835 for Materials & Supplies.						
		Total Recommended Reductions						**$61,869**

DEPARTMENT: **CON - CONTROLLER**

FINANCIAL DATA:

The Controller's proposed $22,369,374 budget for FY 2003-2004 is $883,326 or 3.8 percent less than the original FY 2002-2003 budget of $23,252,700. The net decrease from the revised FY 2002-2003 budget is $1,354,498 or 5.7 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Increase (Decrease) 2002-2003 Original Budget
PAYROLL AND PERSONNEL SERVICES	$ 5,834,147	$ 5,834,147	$ 5,352,124	$ (482,023)
ACCOUNTING OPERATIONS AND SYSTEMS	9,240,534	9,611,706	9,000,458	(240,076)
AUDITS	2,357,583	2,357,583	2,594,520	236,937
MANAGEMENT, BUDGET AND ANALYSIS	3,525,685	3,525,685	2,952,021	(573,664)
Net Expenditures	$ 20,957,949	$ 21,329,121	$ 19,899,123	$ (1,058,826)
Work Order Recoveries	2,294,751	2,394,751	2,470,251	175,500
Total Expenditures	$ 23,252,700	$ 23,723,872	$ 22,369,374	$ (883,326)

DEPARTMENT: CON - CONTROLLER

DEPARTMENT PERSONNEL SUMMARY:

The Controller has budgeted for 13 layoffs in FY 2003-2004. The number of full-time equivalent positions budgeted for FY 2003-2004 is 141.69 FTEs, which is 13.64 FTE less than the 155.33 FTEs in the original FY 2002-2003 budget. During FY 2002-2003 the Controller assumed responsibility for the automated purchasing system operation from the Department of Administrative Services, and 4.0 FTE positions were transferred to the Controller, resulting in a revised FTE total of 159.33. Therefore, the 141.69 FTE in the Mayor's Recommended Budget represent a decrease from the revised budget of 17.64. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
PAYROLL AND PERSONNEL SERVICES	42.80	32.73	(10.07)
ACCOUNTING OPERATIONS AND SYSTEMS	53.67	58.35	4.68
AUDITS	30.03	26.00	(4.03)
MANAGEMENT, BUDGET AND ANALYSIS	28.83	24.61	(4.22)
Totals	155.33	141.69	(13.64)

DEPARTMENT REVENUES

Department revenues have increased by $44,000 or 1.3 percent and General Fund support has decreased by $1,102,826 or 5.3 percent.

DEPARTMENT: CON - CONTROLLER

DESCRIPTION

As noted above, the Controller assumed responsibility for the automated purchasing system operation from the Department of Administrative Services during FY 2002-2003, and 4.0 FTE positions were transferred to the Controller and eliminated from the Administrative Services budget.

The Controller is eliminating a total of 14 positions from its Payroll and Personnel Service Program and Management, Budget and Analysis program, and an additional four FTE have been reduced due to a recalculation of the FTE's associated with Attrition Savings. In total, 13 employees of the Controller's Office will be laid off.

The Controller's proposed FY 2003-2004 budget includes one new 1657 Senior Systems Accountant position in its Accounting Operations and Systems Program to strengthen its accounting operations, at 0.75 FTE and a salary of $64,080 in FY 2003-2004 ($85,440 annually at the top step) in support of the PUC Capital Improvement Program (CIP). This position will be funded by a work order from the PUC's capital projects fund. The Budget Analyst recommends approval of this proposed new position because it will increase the Controller's ability enhance the Controller's to provide accounting oversight of the PUC's long term bond funded Capital Improvement Program.

The Controller's proposed FY 2003-2004 $883,326 budget decrease from the FY 2002-2003 original budget is primarily a result of an overall net decrease in salaries and mandatory fringe benefits of $$391,593 and a decrease in Professional and Specialized Services by of $471,884.

Related Legislation

The Appendix to this report is a report on Item 8 – File 03-0982, an ordinance establishing new fees that would be collected by the Controller's Office beginning in FY 2003-2004. These new fees have been budgeted as a revenue in the Controller's FY 2003-2004 budget in the amount of $44,000.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

---

rtment: **CON - Controller**

			Position/ Equipment	Number		Amount		
e	Object		Number	From	To	From	To	Savings
	001	Permanent Salaries - Misc.				$1,998,524	$1,941,224	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations.						
0	9993M	Attrition Savings				(213,451)	(250,751)	37,300
		The Controller has realized excess Attrition Savings for all salary accounts of approximately $389,000 in FY 2002-2003 primarily due to several high level management position vacancies. The Budget Analyst has reviewed the Controller's vacant positions that are expected to be filled in FY 2003-2004 and concluded that additional attrition savings of $57,300 can be realized.						
9	013	Mandatory Fringe Benefits				325,856	318,769	7,087
		Total Recommended Reductions						$44,387

Item 8 - File 03-0982

Department: Controller

Item: Ordinance amending Administrative Code Section 841 to authorize the Controller to collect a fee of $40 for issuing a Property Tax Certificate under State Government Code Section 66492 and a fee of $20 for issuing a replacement W-2 form.

Estimated New Annual Revenue: $44,000

Description: Currently, the Controller issues Property Tax Certificates to the owner of a property to be subdivided or converted to condominiums indicating that there are no liens against the property for unpaid taxes or special assessments as required under Government Code Section 66492. The estimated cost of providing this service is $18,281 annually according to the Controller's Office. The proposed ordinance would establish a fee of $40 per certificate for this service, which is estimated to generate new revenues of $18,500 based on approximately 460 to 465 certificates annually.

The Controller also issues a replacement W-2 form to employees who have lost their W-2 form issued by the Controller's Payroll Division. The Controller estimates that this service, for which no fee exists now, costs the City $26,000 annually. The proposed ordinance would establish a fee of $20 which is estimated to produce approximately $25,500 annually based on the estimated 1,300 replacement W-2 statements that are issued annually.

The Controller's FY 2003-2004 budget includes new budgeted revenues of $44,000 for the proposed new fees.

Comments: The proposed fees are expected to recover substantially all of the Controller's estimated costs for FY 2003-2004 for the issuance of Property Tax Certificates and replacement W-2 forms. The proposed fees do not include an annual CPI adjustment.

Recommendation: Approve the proposed ordinance.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **LIB – PUBLIC LIBRARY**

FINANCIAL DATA:

The Public Library's proposed $54,780,840 budget for FY 2003-2004 is $23,911,268 or 30.4 percent less than the original FY 2002-2003 budget of $78,692,108. The net increase from the revised FY 2002-2003 budget is the same as the original budget.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2002-2003		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) 2002-2003
Program Expenditures	**Original**	**Revised**	**2003-2004**	**Original Budget**
CHILDREN'S SVCS - CHILDREN'S FUND	$ 456,370	$ 456,370	$ 410,351	$ (46,019)
MAIN LIBRARY	12,831,088	12,831,088	12,446,934	(384,154)
BRANCH LIBRARIES	36,468,269	36,468,269	12,885,502	(23,582,767)
TECHNICAL SERVICES	3,850,661	3,850,661	3,869,729	19,068
INFORMATION AND RESOURCE MANAGEME	5,457,992	5,457,992	5,591,491	133.499
PUBLIC AFFAIRS	1,061,787	1,061,787	1,039,007	(22,780)
AUTOMATION	3,261,149	3,261,149	2,953,458	(307,691)
OPERATIONS AND MAINTENANCE	7,079,044	7,079,044	7,494,155	415,111
ADMINISTRATION	2,833,022	2,833,022	2,933,834	100,812
CHILDREN'S BASELINE	5,912,726	5,912,726	5,775,031	(137,695)
Net Expenditures	$ 79,212,108	$ 79,212,108	$ 55,399,492	$ (23,812,616)
Transfer Adjustments	(520,000)	(520,000)	(618,652)	(98.652)
Total Expenditures	$ 78,692,108	$ 78,692,108	$ 54,780,840	$ (23,911,268)

DEPARTMENT: **LIB – PUBLIC LIBRARY**

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 617.91 FTEs, which is 5.05 FTEs more than the 612.86 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CHILDREN'S SVCS - CHILDREN'S FUND	5.88	5.60	(0.28)
MAIN LIBRARY	181.92	181.67	(0.25)
BRANCH LIBRARIES	178.75	180.96	2.21
TECHNICAL SERVICES	49.78	51.54	1.76
INFORMATION AND RESOURCE MANAGEM	9.69	9.91	0.22
PUBLIC AFFAIRS	13.22	13.64	0.42
AUTOMATION	12.97	12.93	(0.04)
OPERATIONS AND MAINTENANCE	72.08	72.77	0.69
ADMINISTRATION	21.25	21.42	0.17
CHILDREN'S BASELINE	67.32	67.47	0.15
Totals	612.86	617.91	5.05

The proposed increase of 5.05 FTEs is primarily due to conversion of temporary, part-time Library Page positions to permanent civil service status, reductions in attrition savings and creation of one new FTE Custodian position for the new Support Services Center, which was recommended by the Budget Committee as part of the Interim Budget in order to create a position to avoid layoffs in other departments.

DEPARTMENT REVENUES

Department revenues have decreased overall by $23,812,616 or 30 percent. This decrease is primarily because $23,300,000 of proceeds from the sale of the 2000 Branch Library Improvement Facilities Improvement Bonds were budgeted in FY 2002-2003. This decrease also includes a reduction of $323,000 or 1.0 percent in General Fund support, pursuant to the City's Charter. However, the General Fund transfer amount will actually increase by $204,000 or 0.7 percent in FY 2003-2004 to offset larger reductions in State Public Library Fund allocations and Department revenues, both of which are considered General Fund revenue allocable to the Library under the City's Charter.

DEPARTMENT: **LIB – PUBLIC LIBRARY**

Charter Section 16.019 requires the City to annually appropriate General Fund revenues to the Library that are equal to the percentage amount of General Fund revenues received by the Library in FY 1992-93. The Library's FY 2003-2004 required baseline share of such General Fund revenues is $30,811,000, a reduction of $323,000 from amounts budgeted in FY 2002-2003. The other significant revenue sources include $330,000 from the Fuhrman Trust Fund and $138,860 from State grants and gift funds.

The Library also receives its revenue mainly from the Library Preservation Fund, which was initiated in 1994 under Proposition E. As codified in Charter Section 16.109, the Library Preservation Fund receives $0.025 for every $100 of assessed property value in the City. The proposed revenue for the Library Preservation Fund in FY 2003-2004 is $23,078,000, an increase of $688,000, or 3.1 percent.

DESCRIPTION

As noted above, the primary change in the Public Library's budget is due to the reduction of $23,300,000 in the expenditures from the sale of the 2000 Branch Library Improvement Facilities Bonds.

The other major reduction is due to an estimated $2.5 million savings in Mandatory Fringe Benefits resulting from the labor agreements that shift the cost of 7.5 percent of retirement benefits from the City to employees. Offsetting this reduction, the major increases in the Library's budget are due to the following:

- As previously noted, an increase of 5.05 FTEs, primarily due to conversion of temporary part-time Library Page positions to permanent civil service status and reductions in attrition savings.
- An increase of $377,252 to construct a loading dock ($148,652), add one new FTE Custodian ($56,120) and provide operational expenses ($172,480) for the new Support Services Center located at 9th and Howard Streets.
- An increase of $186,843 in the book budget for a total book budget of $5,362,000.
- A 100 percent or $150,000 increase in the work order to the Recreation and Park Department from $150,000 to $300,000 for improved maintenance of Library grounds.
- $300,000 of technology and equipment enhancements of all computer hardware over three years old.
- $200,000 of annual maintenance and repair projects at the Main and Branch Libraries.

An ordinance (File 03-0990) is scheduled to be heard by the Budget Committee on June 25, 2003 to authorize a new $10 Materials Recovery Fee for the Library and to authorize a reduction or waiver of all fees charged by the Public Library in cases of demonstrated financial hardship (See Attachment). The $70,000 cost of the pending ordinance to implement the related Materials Recovery Program is included in the proposed FY 2003-2004 budget.

DEPARTMENT: LIB – PUBLIC LIBRARY

The Public Library advises that on June 23, 2003, the U.S. Supreme Court upheld the Children's Internet Protection Act, a law that requires public libraries to put filtering software on their computers, or otherwise lose Federal funding. In 2001, the Board of Supervisors approved an ordinance (File 01-0940) to provide members of the public with uncensored access to information on the Internet, a position supported by the Library Commission. Unless, the Board of Supervisors were to rescind this previous ordinance, the Public Library estimates that this recent Court decision will result in a reduction of an estimated $190,643 of Federal funding in FY 2003-2004.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-2004

partment: LIB - Public Library

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
anches								
3	001	Permanent Salaries - Misc				$9,404,720	$9,350,458	*
		* The recommended reduction in Permanent Salaries is the total of the following specific recommendations regarding individual classifications.						
1	001	Librarian II	3632	26.00	25.25	1,881,079	1,826,817	54,262
		Delay hiring of existing vacant Librarian II position for the new Mission Bay Branch Library. Based on the current construction schedule, the Mission Bay Branch Library will open in December of 2004. The proposed reduction will permit the hiring of this Librarian II position on April 1, 2004, instead of July 1, 2003, which would still provide at least 8 months of funding before the opening of the Mission Bay Branch Library to provide sufficient planning and hiring support.						
3	013	Mandatory Fringe Benefits				1,840,919	1,830,609	10,310
		Corresponds to the reduction in Salaries.						
3	027	Professional & Specialized Services				50,000	0	50,000
		Delete requested outside consultant contract for establishing standards and guidelines for the Library to develop an RFP to select a vendor for the furnishings and equipment for the new Branch Libraries that are being funded through the 2000 Branch Library Improvement Bond Program. Since the Friends and Foundation of the Public Library is raising an estimated $16 million to purchase the furnishings for the new Branch Libraries, the associated cost of the consultant to advise on such purchases should be part of the Friends' costs.						
3	060	Equipment				63,000	55,100	*
		* The recommended reduction in Equipment is the total of the following specific recommendations.						

Department: LIB - Public Library

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2534	060	Equipment Purchase - Budget				63,000	55,100	7,900
		Reduce to reflect actual updated cost for two self check-out machines and tables.						
Technical Services								
2506	029	Maintenance Services - Equipment				22,028	11,452	10,576
		Reduce maintenance expenses for existing equipment, since Library has begun puchasing new Millennium Integrated Library System to replace existing system, which will be fully operational in FY 2003-2004. FY 2003-2004 budget includes maintenance services contract for the new equipment.						
Operations and Maintenance								
2511	001	Permanent Salaries - Misc.				3,614,908	3,465,907	*
		* The recommended reduction in Permanent Salaries is the total of the following specific recommendations regarding individual classifications.						
2528	001	Principal Administrative Analyst	1824	1.0	0.0	77,969	0	77,969
2528	001	Senior Management Assistant	1844	0.0	1.0	0	71,032	(71,032)
		Disapprove requested upward substitution to serve as a facility manager for the Support Services Center at Howard and 9th Street, which has not been adequately justified. The Library's technical and support services will be relocated from the Main Library to the new Support Services Center in FY 2003-2004.The FY 2003-2004 budget also includes one new FTE custodian position, which was recommended by the Budget Committee as part of the Interim Budget and which will be dedicated to maintenance of the Support Services Center,						
2511	013	Mandatory Fringe Benefits				809,184	807,866	1,318
		Corresponds to the reduction in Salaries.						
		Total Recommended Reductions						**$141,303**

Item 9 - File 03-0990

Department: Public Library

Item: Ordinance amending Section 8.21-2 of the Administrative Code to (1) adopt a Materials Recovery Fee and (2) authorize the Library Commission to develop policies and procedures to allow the City Librarian to reduce or waive any fines and/or fees in the case of demonstrated financial hardship.

Description: The proposed ordinance would add a new Materials Recovery Fee of $10 to the Library's fee schedule, as contained in the City's Administrative Code. If the proposed new fee is approved, the Public Library would enter into a contract with a private company, Unique Management Inc. (UMI), to assess this new Materials Recovery Fee of $10, which would be charged to Library patrons and payable to the Public Library, for each overdue book or materials that are successfully returned to the Public Library. Under this proposed program, the Library borrower would make arrangements with the Public Library to return the overdue books or materials or to pay for the cost of the materials if the borrower no longer has them, and to pay the proposed new $10 Materials Recovery Fee to the Library. For each account successfully resolved by UMI, such that the books or materials are returned or restitution is made for the lost items, UMI will bill the Library $8.95 and the Library will retain $1.05 of the total $10 Materials Recovery Fee.

The proposed ordinance would also permit the Library Commission to adopt policies and regulations authorizing the City Librarian to reduce or waive any fines and/or fees contained in the Library's fee schedule in cases of demonstrated financial hardship.

Comments: 1. Mr. George Nichols of the Public Library advises that the FY 2003-2004 budget includes $70,000 to fund the proposed contract with Unique Management Inc. (UMI) to implement this

Materials Recovery Program for the Public Library. According to Mr. Nichols, UMI specializes in library collection recovery efforts and provides similar collection services to public libraries in the Bay Area, including San Jose, San Mateo, Daly City, Menlo Park, Hayward, Berkeley and Oakland. Mr. Nichols estimates that the San Francisco Public Library loses over $500,000 worth of books and materials annually that are borrowed but not returned and the Library's existing efforts to recover these delinquent materials have not been effective.

Under the proposed UMI contract, delinquent accounts would be referred to UMI 60 days after an item is due and after two overdue notices are sent by the Library, the first at ten days and the second at 45 days after the materials are due. UMI would then follow-up with the Library user, sending at least two notices and making at least two telephone calls over a 60 day period, prior to referring the non-responsive accounts for delinquent credit reporting.

2. Mr. Nichols advises that, although the contract has been awarded to UMI, based on a RFP process, the contract with UMI will not be implemented unless the proposed $10 Materials Recovery Program fee is approved by the Board of Supervisors.

According to Mr. Nichols, under the proposed contract with UMI, if the case is not successfully resolved, no fee would be paid to UMI. The Library advises that UMI currently has a 65 percent success rate in recovering materials. Assuming this 65 percent recovery rate and $500,000 of Library materials have been borrowed and not returned, Mr. Nichols estimates recovering approximately $325,000 worth of Library materials on an annual basis. Mr. Nichols advises that the Library will only refer overdue accounts to UMI if the outstanding value of the materials not returned are $50 or more. Mr. Nichols estimates that this represents approximately 7,821 accounts which would be successfully recovered by the Public Library on an annual basis. The Library has budgeted $70,000 in FY 2003-2004 (7,821 accounts x $8.95 fee per account recovered) for the contract with UMI. In addition, the Library would receive an estimated $8,200 (7,821 accounts x $1.05 fee per account recovered) in FY 2003-2004. However, Mr. Nichols advises that if the proposed Materials Recovery Fee program is successful, the Library anticipates that in future years, there should be a resulting reduction in the number of books and materials borrowed but not returned to the Library. As a result, the revenues that would be recovered from this Materials Recovery Fee program are likely to result in a corresponding reduction in future years, the amount of which cannot be determined at this time.

3. Although there are no written guidelines or official policies for waiving any of the fees and fines charged by the Public Library, according to Mr. Nichols, individual Librarians currently do waive fines and fees, based on their individual discretion, depending on the situation. The proposed ordinance would permit the Library Commission to adopt specific policies and regulations authorizing the City Librarian to reduce or waive fines and fees in cases of demonstrated financial hardship. Mr. Nichols advises that he cannot estimate the amount of fiscal impact to the Public Library as a result of the proposed provision, until the Library Commission establishes the specific policies and regulations for waiving fines and fees. However, as noted above, the Library sometimes waives fines and fees currently, such that Mr. Nichols advises that he does not anticipate significant changes in revenue.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **TIS – TELECOMMUNICATIONS AND INFORMATION SERVICES**

FINANCIAL DATA:

The Department of Telecommunications and Information Services proposed $72,654,123 budget for FY 2003-2004 is $3,200,192 or 4.2 percent less than the original FY 2001-2002 budget of $75,854,315. The net decrease from the revised FY 2002-2003 budget is $4,776,707 or 6.2 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
OPERATIONS & INFRASTRUCTURE	$ 31,503,771	$ 31,503,771	$ 28,152,733	$ (3,351,038)
TECHNOLOGY SERVICES	18,642,096	18,642,096	11,557,029	(7,085,067)
ADMINISTRATION	(49,315,814)	(49,315,814)	(46,905,949)	2,409,865
POLICY & PLANNING	2,518,174	2,501,174	2,171,789	(346,385)
TECHNOLOGY SERVICES: PUBLIC SAFETY SUPP	-	-	7,877,240	7,877,240
CRIMINAL JUSTICE	-	1,496,700	-	-
Net Expenditures	$ 3,348,227	$ 4,827,927	$ 2,852,842	$ (495,385)
Work Order Recoveries	72,581,088	72,677,903	69,876,281	(2,704,807)
Transfer Adjustment	(75,000)	(75,000)	(75,000)	-
Total Expenditures	$ 75,854,315	$ 77,430,830	$ 72,654,123	$ (3,200,192)
Less: Capital and Facilities Maint.	442,000	442,000	293,000	(149,000)
Total Operating Budget	$ 75,412,315	$ 76,988,830	$ 72,361,123	$ (3,051,192)

DEPARTMENT: **TIS – TELECOMMUNICATIONS AND INFORMATION SERVICES**

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 312.42 FTEs, which is 11.56 FTE less than the 323.98 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
OPERATIONS & INFRASTRUCTURE	165.72	83.58	(82.14)
TECHNOLOGY SERVICES	98.60	100.25	1.65
ADMINISTRATION	44.78	46.17	1.39
POLICY & PLANNING	14.88	12.35	(2.53)
TECHNOLOGY SERVICES: PUBLIC SAFETY SUPP	0.00	70.07	70.07
Totals	323.98	312.42	(11.56)

DEPARTMENT: TIS – TELECOMMUNICATIONS AND INFORMATION SERVICES

DEPARTMENT REVENUES

Department revenues of $1,181,754 for FY 2003-04 have not changed compared to the original FY 2002-03 budget. General Fund support has decreased by $495,385 or 22.9 percent.

DESCRIPTION

In FY 2003-04, the total Department of Telecommunications and Information Services' proposed budget expenditures of $72,654,123 are $3,200,192 less than the original FY 2002-03 budget of $75,854,315. Major changes in expenditures include the following:

1. A $3,351,038 decrease for the Operations and Infrastructure Program due primarily to salary costs and mandatory fringe benefits, offset by increases in professional services and supplies.

2. A $7,085,067 decrease for the Technology Services Program due principally to reductions in professional services and other current expenses.

3. A $2,409,865 increase for Administration due primarily to increased interdepartmental recoveries and equipment purchases, offset by reductions in utilities and mandatory fringe benefits.

4. A $346,385 decrease for the Policy and Planning Program due primarily to reductions in equipment, salary costs, and mandatory fringe benefits.

5. A reallocation of $7,877,240 to create the new Technology Services: Public Safety Support Program. This restructuring will centralize DTIS's technology services for public safety agencies. The new Technology Services: Public Safety Support Program will be staffed by 70.07 FTEs transferred from throughout the Department. The new bureau will be funded by annually budgeted from the Telecommunications and Information Internal Service Fund revenues. The salary budget is $7,101,127 and the non-salary budget is $776,113.

6. A $2,704,807 decrease in work order recoveries.

RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR AMENDMENT OF BUDGET ITEMS
2003-04

partment: TIS - Telecommunications and Informaion Services

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
4 Policy and Planning								
79	001	Permanent Salaries - Misc.				931,028	989,106	*
		* The recommended increase in Permanent Salaries - Misc. is the total of the following specific recommendations.						
94	001	Media Production Technician	1766AD	(0.59)	0.59	(29,039)	29,039	(58,078)
		Restore this 0.59 FTE as an add back as determined by the Budget Committee on May 28, 2003 from reductions from the Department of Building Inspection Mayor's Recommended FY 2002-03 budget. The 0.59 FTE is needed to provide coverage of the Planning Commission and the Permit Appeals Board of SFGTV.						
79	013	Mandatory Fringe Benefits				161,184	172,219	(11,035)
		Corresponds to the increase in Permanent Salaries.						
79	040	Materials and Supplies Budget Only				25,584	22,104	3,480
		Reduce to actual FY 2002-2003 expenditure level. Overall, the Department has budgeted $4,419,967 for materials and supplies.						

RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR AMENDMENT OF BUDGET ITEMS
2003-04

Department: TIS - Telecommunications and Informaion Services

Page			Position/ Equipment	Number		Amount		
No.	Object		Number	From	To	From	To	Savings
BIT Technology Services								
1675	001	Permanent Salaries - Misc.				9,011,522	8,933,675	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations.						
1688	001	IS Programmer Analyst - Senior	1063A	18.0	17.0	1,401,245	1,323,398	77,847
		Eliminate 1.00 FTE 1063 IS Programmer Analyst - Senior which has been vacant since March 2001, approximately 2 years and 3 months. With this reduction, Technology Services will still have 17.00 FTE 1063 IS Programmer Analyst - Senior positions, 2 of which are vacant.						
1675	013	Mandatory Fringe Benefits				1,414,202	1,399,411	14,791
		Corresponds to the reductions in Permanent Salaries.						
		Total Recommended Reductions						**27,005**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **FIR - FIRE**

FINANCIAL DATA:

The Fire Department's proposed $213,468,186 budget for FY 2003-2004 is $11,247,331 or 5 percent less than the original FY 2002-2003 budget of $224,715,517. The net decrease from the revised FY 2002-2003 budget is $12,211,279 or 5.41 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
SUPPRESSION	$ 170,697,697	$ 171,560,279	$ 160,186,008	$ (10,511,689)
PREVENTION	5,682,471	5,682,471	5,700,611	18,140
INVESTIGATION	1,611,999	1,611,999	1,549,274	(62,725)
SUPPORT SERVICES	11,315,817	11,315,817	9,347,605	(1,968,212)
TRAINING BUREAU	5,960,033	5,960,033	5,458,766	(501,267)
WORK ORDER SERVICES	1,778,982	1,778,982	(14,211)	(1,793,193)
FIREBOAT	1,799,588	1,799,588	1,693,435	(106,153)
AIRPORT SERVICES	10,362,861	10,362,861	10,729,334	366,473
GRANT SERVICES	-	101,366	-	-
ADMINISTRATION	11,185,628	11,185,628	12,394,154	1,208,526
Net Expenditures	$ 220,395,076	$ 221,359,024	$ 207,044,976	$ (13,350,100)
Work Order Recoveries	4,320,441	4,320,441	6,423,210	2,102,769
Total Expenditures	$ 224,715,517	$ 225,679,465	$ 213,468,186	$ (11,247,331)
Less: Capital and Facilities Ma	1,300,000	1,300,000	1,300,000	-
Total Operating Budget	$ 223,415,517	$ 224,379,465	$ 212,168,186	$ (11,247,331)

DEPARTMENT: **FIR - FIRE**

DEPARTMENT PERSONNEL SUMMARY:

The Department has budgeted for seven layoffs.

The number of full-time equivalent positions budgeted for FY 2003-2004 is 1,806.01 FTEs, which is 92.69 FTEs less than the 1,898.70 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
SUPPRESSION	1,587.59	1,507.77	(79.82)
PREVENTION	51.67	52.62	0.95
INVESTIGATION	15.05	14.04	(1.01)
SUPPORT SERVICES	38.33	28.78	(9.55)
TRAINING BUREAU	16.54	17.71	1.17
CITY CAPITAL PROJECTS	0.00	0.00	0.00
WORK ORDER SERVICES	41.05	40.05	(1.00)
FIREBOAT	11.52	11.14	(0.38)
AIRPORT SERVICES	96.00	97.03	1.03
ADMINISTRATION	40.95	36.87	(4.08)
Totals	1,898.70	1,806.01	(92.69)

DEPARTMENT: **FIR - FIRE**

DEPARTMENT REVENUES

Department revenues have decreased by $1,445,734 or 2.56 percent and General Fund support has decreased by $12,164,686 or 8.01 percent.

DESCRIPTION

The Department's budget has decreased by $11,247,331. This decrease is due to the following changes in the Department's budget expenditures:

Proposed Budget Decreases:

- $5,268,022 for salaries due to the 92.69 FTE decrease in positions.
- $7,278,557 for mandatory fringe benefits.
- $76,359 for professional and specialized services.
- $280,290 for building and equipment maintenance.
- $13,500 for building rents and leases.
- $361,155 for other current expenses and membership fees.
- $591,210 for materials and supplies.

Proposed Budget Increases:

- $15,665 for overhead.
- $11,541 for travel.
- $24,340 for training.
- $60,000 for equipment rents and leases.
- $15,760 for utilities.
- $102,875 for taxes, licenses, and permits.
- $30,131 for capital.
- $2,360,705 for services of other departments.
- $745 for operating transfers out.

DEPARTMENT: FIR - FIRE

POLICY OPTION 1: H-10 CHIEF'S OPERATORS – POTENTIAL SAVINGS OF $2,167,104

The Mayor's recommended FY 2003-04 budget originally deleted funding for all 50.00 FTE Classification H-10 Chief's Operator positions. However, following MOU negotiations with the Firefighters Union, Local 798, funding for 21.50 FTEs was reinstated by the Mayor through technical adjustments, leaving 28.50 FTE positions without funding. Since the Department will no longer have sufficient Classification H-10 Chief's Operators to staff 13 H-10 Chief's Operator positions per day, the Department intends to deploy the remaining 21.50 FTE Classification H-10 Chief's Operators as five "Incident Support Specialist" posts per day beginning July 1, 2003.

Motion No. MO3-58, approved by the Board of Supervisors, directed the Budget Analyst to develop a budget justification and staffing analysis to transfer Chief's Operators to firefighting or other appropriate positions within the Fire Department, for consideration by the Budget Committee. Therefore, the Budget Analyst has reviewed the following information:

(1) The staffing needs and workload analysis performed by the Budget Analyst for the January 2002 Management Audit of the Fire Department. Dispatches for non-medical calls have increased slightly, from 30,827 in FY 1999-2000, to 32,519 in FY 2000-01, to 33,061 in FY 2001-02 (an increase of approximately 7.2 percent over the three years). However, the number of greater alarms declined from 64 in CY 2001 to 51 in CY 2002. During this period, the daily minimum staffing level has remained at 354 FTEs.

(2) Various other jurisdictions have eliminated the Chief's Operator function, relying instead on the fire suppression personnel assigned to other fire units. For example, Fresno, Long Beach, Oakland, Sacramento, San Diego, and San Jose Fire Departments do not have Chief's Operators. While the Department advises that a number of jurisdictions are reinstating Chief's Operators, the Department did not provide any evidence of this.

(3) Chief's Operators' functions. Traditionally there have been three functions:

   (a) Driver. The Budget Analyst notes that other emergency staff (for example, Classification H-33 EMS Rescue Captains) self-drive. Furthermore, the Fire Chief has agreed to use a Classification H-2 Firefighter as a driver, rather than have a dedicated Classification H-10 Chief's Operator assigned.

   (b) Administrative/clerical assistant.

   (c) Fireground communications coordinator. While the Budget Analyst notes that modern technologies make fireground communications coordination much easier than when the Classification H-10 Chief's Operator positions were first established, the Chief's Operator can be required to monitor the control, tactical, and medic radio channels simultaneously.

The Fire Department advises that there are three further roles:

   (d) A sixth firefighter to assist truck companies to raise the 50 foot extension ladder.

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(e) Fireground coordinator tracking the location and rest and rehabilitation needs of all personnel on the fireground, in line with NFPA Standard 1710.

(f) Companion to the Battalion Chief when entering into a burning structure. The Department advises that the U.S. Department of Labor Occupational Safety and Health Administration's *Fire Fighters' Two-in/Two-out Regulation* (or "buddy system") requires that Battalion Chiefs have an assigned staff member who can enter a burning structure with them. The Department advises that since all other personnel on the fireground already have assigned duties, a Chief's Operator is the best placed to accompany a Battalion Chief.

In relation to these last three points, the Budget Analyst notes that the daily minimum staffing of 354 FTEs should be sufficiently flexible to permit the utilization of firefighters to perform these functions on an as-needed basis.

Based on this analysis, the Budget Analyst recommends, as a policy option for the Board of Supervisors, that the remaining 21.50 FTE Chief's Operator positions be permanently eliminated. However, the Budget Analyst notes that the forthcoming Memorandum of Understanding (MOU) for the Firefighters Association includes restoration of the 21.50 FTE Chief's Operator positions. The proposed MOU is subject to approval by the Board of Supervisors.

POLICY OPTION 2: H-40 BATTALION CHIEFS – POTENTIAL SAVINGS OF $1,799,258

Simultaneous Events

The Fire Department currently deploys ten on-duty Classification H-40 Battalion Chiefs every day of the year on 24-hour watches. Based on CY 2001 information provided by the Fire Department pertaining to greater alarm events (working fires which require increased suppression and command resources than those required for an initial response to a report of a fire), the following information is pertinent:

- There were only 64 greater alarms in 12 months, to which an average of 3.3 Battalion Chiefs responded. This represents slightly more than one greater alarm per week.
- Only six days experienced multiple greater alarm fires, or approximately 1.64 percent of the year.
- There was only one instance in which the Fire Department concurrently responded to multiple greater alarm events. On June 15, 2001, two separate 2nd alarm fires overlapped by 16 minutes, or approximately 0.003 percent of the year.[1] Four Battalion Chiefs were required to be on-scene at the first 2nd alarm fire. When the second 2nd alarm fire broke out, one of those Battalion Chiefs stayed to complete the first fire, while the other three Battalion Chiefs responded to the new 2nd alarm fire.

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[1] The first 2nd alarm fire on June 15, 2001 began at 6:47 a.m. and lasted a total of 3 hours and 35 minutes. The second 2nd alarm fire began at 10:06 a.m. A third greater alarm fire occurred on June 15, 2001, at 1:42 p.m., approximately 20 minutes after the second greater alarm ended.

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In a May 1, 2002 memorandum to the Rules and Audits Committee, the Fire Department stated that it is "not just the statistical probability of simultaneous greater alarms occurring but the statistical probability of simultaneous events that tax our ability to respond with the appropriate command staff to adequately supervise the incident." The Budget Analyst concurs with this statement. Therefore, the Budget Analyst has analyzed the statistical probability of greater alarm and regular "non-alarm"[2] events occurring simultaneously. In CY 2001, during 54, or approximately 84.4 percent, of the 64 greater alarm events, Battalion Chiefs responded to 230 non-alarm events. A total of 288 Battalion Chiefs were dispatched to those 230 non-alarm events. The average time spent by Battalion Chiefs on each non-alarm event averaged 19 minutes and 58 seconds, ranging from less than one minute for a commercial building alarm to slightly over two hours for a working fire. Commercial building alarms, which require an automatic response by one Battalion Chief, represented 117, or approximately 50.9 percent, of the 230 non-alarm events, and required Battalion Chief involvement for an average of 11 minutes and 12 seconds, with many of these reportedly false alarms being resolved over the telephone while en route.

The Fire Department's May 1, 2002 analysis took the average of all Battalion Chiefs dispatched during CY 2001 greater alarm events to arrive at an estimate of Battalion Chief activity, and concluded that an average of 7.6 Battalion Chiefs are dispatched during the course of a greater alarm event. While this methodology results in an accurate computation, it is misleading as an indicator of Battalion Chief demand because it does not clearly demonstrate Battalion Chief demand based upon the incidence of simultaneous events since (a) greater alarm events are typically of long duration, (b) non-alarm events are typically of short duration, and (c) multiple non-alarm events that occur during greater alarms have a low probability of occurring simultaneously. As shown in the following table, there were only three, or approximately 4.7 percent, of the 64 greater alarm events in CY 2001 when seven or more Battalion Chiefs were actually dispatched concurrently. For 61, or approximately 95.3 percent, of the 64 greater alarm events in CY 2001, six or fewer Battalion Chiefs were dispatched concurrently. For 57, or approximately 89.1 percent, of the greater alarm events, five or fewer Battalion Chiefs were dispatched concurrently, 50 percent of the current daily deployment of ten Battalion Chiefs. **There were no instances in CY 2001 when ten Battalion Chiefs were deployed simultaneously.**

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[2] Terminology used by the Fire Department to describe any regular alarms. Regular alarms, or "non-alarms," include commercial or box fire alarms, smoke in buildings, smaller fires, motor vehicle accidents, and hazardous materials incidents.

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Battalion Chief Dispatches During CY 2001 Greater Alarm Events

Number of Battalion Chiefs Dispatched to Greater Alarms and Simultaneous Non-alarm Events	Number of Greater Alarm Incidents	Percent of Greater Alarms	Median Time (Minutes and Seconds)
2	1	1.6 %	0:29:22
3	13	20.3 %	0:25:11
4	23	35.9 %	0:09:27
5	20	31.2 %	0:06:59
6	4	6.2 %	0:11:19
7	1	1.6 %	0:04:55
8	1	1.6 %	0:01:48
9	1	1.6 %	0:01:54
10	0	0.0 %	0:00:00
Total	**64**	**100.0 %**	**0:09:26**[3]

Based on the above analysis, the Department was required to dispatch more than six Battalion Chiefs simultaneously only during three greater alarm events (4.7 percent). When seven Battalion Chiefs were dispatched simultaneously, their median time on-scene was 4 minutes and 55 seconds. When eight Battalion Chiefs were dispatched simultaneously, their median on-scene time was one minute and 48 seconds. When nine Battalion Chiefs were dispatched simultaneously, their median on-scene time was one minute and 54 seconds.

The Fire Department advises that the above analysis is inadequate for the following reasons:

- The Fire Department performed its own analysis to determine the probability that the Department would be left with no available Battalion Chiefs at least once during a year. The Department analyzed five years of call data[4] and assumed call data would remain approximately stable. The Department estimated an 84 percent probability in a given year that the Department would run out of Battalion Chiefs at least once that year. An 11th Battalion Chief would reduce that probability to 38 percent.[5] The Fire Department also analyzed the probability that there would be two major fire events at the same time in a year. Based on the 12 times between 1991 and 2001 when there were two simultaneous greater alarm events, the Department concluded that there is a 70 percent

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[3] This number if the weighted median on-scene time for Battalion Chiefs at all 64 greater alarm incidents.

[4] The Fire Department used 1996, 1997, 1998, 1999, and 2001 call data, but not 2000 call data due to the 911 system switch over.

[5] The Department advised the Budget Analyst that a Battalion Chief position is required for its Airport Services Division.

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probability of two major events occurring simultaneously in a year. The Budget Analyst notes that the above analysis by the Fire Department is limited by (a) the use of high average run lengths for Battalion Chief dispatches, which are not supported by the above median dispatch duration statistics, and (b) the lack of discussion about the size and duration of simultaneous events.

- The Fire Department must maintain coverage over the rest of the City during greater alarm events, and tries to keep half of its Battalion Chiefs in reserve at all times. The Budget Analyst's analysis shows that the Fire Department achieves that goal, but questions the amount of redundancy built into a system which has full-time coverage by ten Battalion Chiefs.
- Battalion Chiefs have numerous other management, administrative, and training duties. The Budget Analyst notes that the median time spent by Battalion Chiefs at greater alarm incidents is only 9 minutes and 26 seconds.
- On June 20, 2003, the San Francisco Civil Grand Jury released a report stating that the City is not ready for a large-scale disaster due to a lack of planning and coordination between City departments. The Fire Department emphasizes that San Francisco is one of the top three U.S. targets for terrorism, as evidenced by the amount of attention and funding being directed by Federal Government agencies to the City. The Fire Department advises that it is mid-management staff, such as Battalion Chiefs, who are needed to improve inter-departmental planning, coordination, and communications. The Budget Analyst notes that the purpose of disaster planning is to ensure the best possible deployment of available rescue workers in the event of a large-scale emergency. The City cannot provide the level of coverage required in a disaster at all other times, which is why there is a Recall Procedure (discussed below).

Using Captains to Perform Battalion Chief Functions

FY 2001-2002 payroll data provided by the Fire Department for 20 pay periods showed that an average of 28.4 percent of H-40 Battalion Chief positions are filled by lower ranking H-30 Captains working in a Like Work Like Pay capacity. The Fire Department has determined that these individuals have sufficient experience and seniority to regularly work as H-40 Battalion Chiefs, even though they are working out of class. The Budget Analyst understands that promotional examinations for the Battalion Chief rank have not been offered since April of 1997 and, therefore, the Fire Department is using long-term Like Work Like Pay and Acting Assignments to fill vacant H-40 Battalion Chief positions. Furthermore, H-30 Captains fill H-40 Battalion Chief positions when the incumbents are out for the day on vacation, short-term sick leave, and other reasons. For example, on July 25, 2002, the Daily Assignment Log showed six of the ten Battalion Chief assignments (60.0 percent) being worked by H-30 Captains. During the pay period ending June 6, 2003, 14 H-30 Captains worked as H-40 Battalion Chiefs.

The Fire Department has clearly demonstrated that H-30 Captains have the ability to assume the H-40 Battalion Chief function during the short periods when simultaneous major alarm and non-alarm events require a high number of Battalion Chief dispatches.

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Recall Procedure

Should a rare catastrophic event occur requiring a greater number of Battalion Chief dispatches, the Department can recall its off-duty members. According to the Fire Department, the last time such recall action was taken by the Fire Department was during the 1989 Loma Prieta Earthquake. Therefore, when a rare catastrophic event occurs, the Fire Chief can recall off-duty Battalion Chiefs and H-30 Captains, to provide temporary fill-in, as required.

Staffing Levels

Each Battalion Chief works a 24-hour watch two days per week. To provide full coverage with relief for ten on-duty Battalion Chiefs at all times, there are 42.00 FTE Battalion Chief positions at a total salary cost of $4,963,596 and a total mandatory fringe benefit cost of $625,413, for a total cost of $5,589,009. The following table shows the salary and mandatory fringe benefit savings which would result from eliminating between one and four Battalion Chief posts. These savings do not include reduced premium pay, one-time payments, overtime, and holiday pay.

Reducing the Number of Battalions

Proposed Reduction	Salary Savings	Mandatory Fringe Benefit Savings	Total Savings
Reduce one Battalion Chief post (4.2 FTE H-40 Battalion Chiefs)	$496,360	$62,541	$558,901
Reduce two Battalion Chief posts (8.4 FTE H-40 Battalion Chiefs)	$992,719	$125,083	$1,117,802
Reduce three Battalion Chief posts (12.6 FTE H-40 Battalion Chiefs)	$1,489,079	$187,624	$1,676,703
Reduce four Battalion Chief posts (16.8 FTE H-40 Battalion Chiefs)	$1,985,438	$250,165	$2,235,603

In the Mayor's proposed FY 2003-2004 budget, the Fire Department has not provided funding for 4.2 FTE Battalion Chief positions, thereby reducing the number of battalions per watch from ten to nine. The Fire Department has not eliminated any Battalion Chief positions. Instead, the Department has increased its attrition savings accordingly, and will deactivate one Battalion Chief position "on a rotating basis to mitigate the impact." The Fire Department states that it is pursuing "alternative funding to reactivate this position as quickly as possible during the fiscal year."

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In the proposed FY 2003-2004 budget, the Fire Department has eliminated 4.20 FTE H-33 EMS Rescue Captain positions in the field, thereby reducing the number of EMS Rescue Captains per watch from four to three. The EMS Rescue Captain's primary role is to monitor the quality of emergency medical services provided in the field by paramedics and emergency medical technicians. EMS Rescue Captains can assume the role of Medical Group Supervisor at medical incidents. At greater alarm incidents, EMS Rescue Captains relieve Battalion Chiefs of that responsibility. As such, EMS Rescue Captains represent an integral part of the Fire Department's continuous quality improvement function as it relates to emergency medical services. Approximately 70 percent of the Fire Department's dispatches are in response to medical calls.[6] Therefore, by virtue of the sheer volume of such calls and the risk of medical litigation, medical calls represent the Fire Department's greatest risk exposure. If the Fire Department believes it can safely monitor this risk exposure with 25 percent fewer staff per watch, then from a quality control and risk management perspective, the Fire Department should be able to manage its smaller fire suppression workload (approximately 30 percent of the Department's call volume) with at least 2.5 FTE fewer Battalion Chiefs per watch. However, for the workload reasons discussed above, the Budget Analyst recommends, as a policy option for the Board of Supervisors, that the number of Battalion Chiefs be reduced by four per watch, from the current total of ten per watch to six per watch.

To summarize, there were only three greater alarm events in CY 2001 in which more than six Battalion Chiefs were simultaneously dispatched. In the future, in the event of simultaneous events requiring more than six Battalion Chiefs, the Department would have the ability to use Captains to perform Battalion Chief functions, and to recall its off-duty members. Based on these factors, in the attached recommendations for amendment of Budget items, the Budget Analyst recommends, as a policy option for the Board of Supervisors, that the Budget Committee:

1. Eliminate the 4.20 FTE Classification H-40 Battalion Chief positions for which the Mayor has provided no funds in FY 2003-2004, to permanently reduce the number of battalions from ten to nine.

In the attached policy recommendations for amendment of Budget items, the Budget Analyst recommends, as a policy option for the Board of Supervisors, that the Budget Committee:

2. Reduce an additional three battalions, from nine to six battalions, eliminating a further 12.6 FTE Classification H-40 Battalion Chief positions.

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[6] Of the total 104,272 dispatches in FY 1999-2000, 73,445 were for primarily medical calls (approximately 70.4 percent) and 30,827 were for non-medical calls (approximately 29.6 percent). Of the total 106,391 dispatches in FY 2000-2001, 73,872 were for primarily medical calls (approximately 69.4 percent) and 32,519 were for non-medical calls (approximately 30.6 percent). Of the total 104,819 dispatches in FY 2001-02, 71,758 were for primarily medical calls (approximately 68.5 percent) and 33,061 were for non-medical calls (approximately 31.5 percent).

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The Budget Analyst also recommends that the Budget Committee:

3. Request the Fire Department to consider modifying its policies so that Battalion Chiefs are automatically dispatched to commercial fire alarms only when such alarms are activated for large buildings that do not have a history of false alarms.

POLICY OPTION 3: ASSISTANT DEPUTY CHIEF II, HEALTH AND WELLNESS (SAFETY) DIVISION – POTENTIAL SAVINGS OF $161,628

Following the elimination on June 30, 2003 of the redundant Classification H-51 Assistant Deputy Chief (ADC) II, Management Services (due to the elimination of that division), the Department will have five remaining Classification H-51 ADC II positions:

1. ADC II, Division of Fire Prevention and Investigation (manages approximately 66 FTEs).
2. ADC II, Division of Training (manages approximately 17 FTEs).
3. ADC II, Division of Support Services (manages approximately 28 FTEs).
4. ADC II, Airport Services (manages approximately 96 FTEs).
5. ADC II, Health and Wellness (Safety) Division (administrative responsibility for 4.50 FTEs).

While the first four positions are responsible for sizable divisions and significant numbers of staff, the ADC II, Health and Wellness (Safety) Division is only administratively responsible for the Physician's Office and the Medical Leave Supervisor, a total of 4.50 FTEs, who previously reported directly to the Deputy Chief of Administration. (The Departmental Physician is appointed by the Fire Commission, and the Nurse Practitioner reports to the Department Physician for clinical oversight.) This position could be deleted immediately without adverse impact to the Department's operations. The position's incumbent would revert back to Classification H-50 Assistant Chief of Department.

The Department advises that it needs an ADC II, Health and Wellness (Safety) Division position to lead the development of the health and wellness program required by the Fire Commission in May of 2002. The ADC II is responsible for developing the framework required for a program which will eventually involve a larger staff. The Department also advises that it needs more than five ADC IIs to deal with labor negotiations, liaison with other City departments, conduct incident investigation and staff disciplinary hearings, and promote diversity within the Department. However, the Budget Analyst notes that:

(a) The ADC II, Health and Wellness (Safety) Division position was created only after the ADC II, Policy position was eliminated as a result of not creating the proposed Strategic Policy, Planning and Analysis Unit in FY 2002-03 (see further discussion below). That position's incumbent was transferred to the new ADC II, Health and Wellness (Safety) Division.

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(b) The ADC II, Health and Wellness (Safety) Division position was created instead of the new Classification 6137 Assistant Industrial Hygienist and Classification H-30 Captain positions funded in FY 2002-03 to manage a comprehensive and strategic industrial safety program, in accordance with the Budget Analyst's January 2002 Management Audit Report Recommendation 1.7.7 (see Policy Option 5 below).

POLICY OPTION 4: STRATEGIC POLICY. PLANNING AND ANALYSIS UNIT – POTENTIAL COSTS OF $319.323

The Budget Analyst recommends, as a policy option for the Board of Supervisors, that, by October 1, 2003, the Fire Department establish three new positions (Classification 0931 Manager III, Classification 1824 Principal Administrative Analyst, and Classification 1823 Senior Administrative Analyst) and restore funding for the deleted vacant Classification 1053 Information Systems Business Analyst - Senior position. These positions would staff a new Strategic Policy, Planning and Analysis Unit reporting to the Fire Chief, in accordance with the Budget Analyst's January 2002 Management Audit Report Recommendation 1.3.1, as recommended by the Rules and Audits Committee. The Budget Analyst still considers that a Strategic Policy, Planning and Analysis Unit would provide Department management with coordinated advice from professional analysts, an enhanced organizational perspective on the integration of fire suppression and emergency medical services, a regularly updated strategic plan, organizational performance measures and reporting, and an enhanced grant writing capability.

During its FY 2002-03 budget deliberations, the Budget Committee approved the establishment of the above four positions, but the final budget, as approved by the Board of Supervisors, only funded the Classification 1053 Information Systems Business Analyst - Senior position. Although the new Classification 1053 Information Systems Business Analyst - Senior position was funded from October 1, 2002, the Department advises that it did not fill the new position due to an instruction received in November of 2002 (over a month after the Department was supposed to have filled the new position) to delay implementing new programs until FY 2003-04, to reduce all non-essential spending, and to hold open all vacant miscellaneous positions. The proposed FY 2003-04 budget deletes the position.

The Budget Analyst notes that the position was only vacant because the Department had not filled it in a timely manner. The Department contends that the necessary position requisition could not be approved until after the budget was finalized in August, and that new hires take a further three to nine months to process.

The Budget Analyst's January 2002 Management Audit Report Recommendations 1.1.3, 1.1.4, and 1.1.5, as recommended by the Rules and Audits Committee, proposed that the emergency medical services electronic data collection and reporting, Continuous Quality Improvement Program, and risk management functions be transferred to the new Strategic Policy and Planning Unit. The resulting elimination of the 2.00 FTE Classification H-33 Rescue Captains responsible for this work would have partially offset the salary costs of the new Strategic Policy, Planning and Analysis Unit. These recommendations are no longer appropriate given the Department's reduction of one of its four Rescue Captain positions (4.20 FTEs), a 25 percent reduction in a critical part of Emergency Medical Services' Continuous Quality Improvement Program.

POLICY OPTION 5: INDUSTRIAL SAFETY PROGRAM – POTENTIAL COSTS OF $144,395

The Budget Analyst recommends, as a policy option for the Board of Supervisors, that, by October 1, 2003, the Fire Department restore funding for the Classification 6137 Assistant Industrial Hygienist and the Classification H-30 Captain to manage a comprehensive and strategic industrial safety program. This recommendation is in accordance with the Budget Analyst's January 2002 Management Audit Report Recommendation 1.7.7, as recommended by the Rules and Audits Committee. Although both these positions were funded in the Department's FY 2002-03 budget to be filled by October 1, 2002, The Department advises that it did not fill the new positions due to an instruction received in November of 2002 (over a month after the Department was supposed to have filled the new positions) to delay implementing new programs until FY 2003-04, to reduce all non-essential spending, and to hold open all vacant miscellaneous positions. The proposed FY 2003-04 budget deletes all five positions.

The Budget Analyst notes that the positions were only vacant because the Department had not filled them in a timely manner. The Department contends that the necessary position requisitions could not be approved until after the budget was finalized in August, and that new hires take a further three to nine months to process.

POLICY OPTION 6: RESTRUCTURING TRAINING FUNCTIONS – RESERVE OF $4,094,075

As part of the Budget Analyst's January, 2002 Management Audit of the Fire Department, the Budget Analyst reviewed the Fire Department's training and education functions and determined that their structural and management fragmentation hindered integration of the Fire Department's fire suppression and emergency medical services responsibilities, complicated management accountability, created the potential for unevenly applied training and education quality standards, and increased costs. As a result of these findings, the Budget Analyst's Management Audit contained the following recommendations:

- Recommendation 1.4.1: Transfer the EMS Academy Section and the EMS In-service Training Section to a renamed Division of Fire and Medical Training during FY 2002-2003.[7]

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[7] The dates contained in the Management Audit Report's recommendations have been updated in this report in order to accommodate the length of the review period between publication of the Management Audit Report, the public hearings held by the Rules and Audits Committee, and the budget review conducted by the Budget Committee.

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- Recommendation 1.4.2: Recruit widely for the new Director of Fire and Medical Training position, including advertising for a candidate with both fire suppression and emergency medical services training experience.
- Recommendation 1.4.3: Restructure the Division of Fire and Medical Training during FY 2002-2003 to integrate training and education functions for fire suppression and emergency medical services, and to reduce the number of staff reporting directly to the new Director of Fire and Medical Training position by FY 2003-2004.

In response to the Budget Analyst's recent request for a copy of the Fire Department's restructuring plan for the Fire Department's training functions, the Fire Department has not provided the Budget Analyst with such a plan. Instead the Fire Chief provided the Budget Analyst with two memoranda regarding:

- How the work of the two training management positions kept vacant since December of 2002 (the H-39 Firefighter Recruit Training Officer and the H-43 EMS Academy Section Chief) has been performed in the interim. The Fire Chief reports that those positions' duties have been absorbed by other training staff.
- The changes in chain of command for training staff. The Fire Chief has provided an organization chart which shows all training managers now reporting to the Director of Training. However, the Budget Analyst notes that this organization chart is not in its final form because it shows separate manager positions for in-service fire suppression training and in-service emergency medical service training. The Fire Chief states that the Fire Department "sees the value in retaining a Suppression trained Manager (H-39) to oversee the In-Service Suppression training program. Likewise, there is similar value to retain a Paramedic trained Manager (H-43) to oversee the In-Service Medical training program." The Fire Chief neither states what these benefits are, nor does a comparison with the benefits of having a single manager responsible for an integrated in-service training program as recommended by the Budget Analyst. The Fire Department advises that it has few staff who are expert in both fire suppression and EMS, and therefore the Fire Department advises that it cannot staff a cross-trained Manager, In-service Training position at this time.
- The specific job requirements of the new managerial positions, and which jobs require cross-trained applicants. The Fire Chief has provided a generic list of the job requirements and responsibilities of all Division of Fire and Medical Training management positions responsible for EMS training, but does not lay out the unique job requirements and responsibilities of each new managerial position.
- A chronology of the meet and confer process conducted by the Fire Department with its affected unions, the outcomes of those discussions, and whether or not any layoffs will result from the planned staffing changes. The Fire Chief advises that there have not been any meet and confer sessions with the affected unions and that the Fire Department "intends to implement an internal process which should not trigger the meet and confer process."
- The recruitment and hiring process being used for the new managerial positions, including the projected timeframe for the recruitment and hiring process for each managerial position, and the

composition of the selection panels held to date. The Fire Chief has provided no specific details about the recruitment and hiring process.

- The extent to which recruitment efforts have been made outside the Fire Department, including where the position has been advertised. The Fire Chief states that "recruitment of outside individuals might incur additional costs," and that an internal recruitment and hiring process "will still result in the implementation of the recommendation" over an extended, but unspecified, timeframe. Therefore, the Fire Department has not recruited externally for its Director of Training position, or for other training positions, despite the Fire Chief's acknowledgment that (a) the Fire Department has insufficient internal cross-trained applicants, and (b) an internal recruitment and hiring process will take much longer due to the lack of cross-trained staff.
- The initiatives undertaken by the Fire Department to ensure that more of its own staff are cross-trained in both fire suppression and emergency medical services. The Fire Chief has provided no specific details in terms of the number of staff to be cross-trained within a specific timeframe.
- Whether or not the new integrated Division of Fire and Medical Training will be in place on July 1, 2003. Based on the information provided by the Fire Chief, the Budget Analyst concludes that an integrated Division of Fire and Medical Training, fully staffed and in its final organizational structure, will not be in place on July 1, 2003. Further, the Budget Analyst notes that the Fire Chief has provided no timeframe for when a fully staffed Division of Fire and Medical Training, in its final organizational structure, will be in place.

On February 21, 2003 the Fire Chief issued an internal General Order advertising for the Director of Training position, requiring the minimum qualifications of (a) fire and EMS (paramedic level) background and experience, and (b) California State Fire Marshal Instructor 1A and 1B. Interested Job Classification H-30 Fire Captains and above were given three weeks in which to submit their applications. However, on May 20, 2003, four days after the Budget Analyst requested the detailed information on the Division of Training restructuring process listed above, the Fire Chief issued an updated internal General Order re-advertising the Director of Training position. In this updated General Order, the minimum qualifications were listed as "preferred, not required," no minimum job classification status was specified, and new applicants were given only three days in which to submit their applications (previous applicants did not need to re-apply). The Fire Chief advises that the change in minimum requirements reflected the Department of Public Health's advice that there is no requirement for the Director of Training to hold a current paramedic, nursing, or medical license. The Budget Analyst questions how, from a management rather than a legal perspective, there could be no mandatory minimum qualifications for a Director of Training position responsible for managing (a) an integrated Division of Fire and Medical Training, and (b) direct reports with minimum qualifications in fire suppression and EMS. The elimination of minimum qualifications for such a position opens up the possibility of (a) the appointment of an insufficiently qualified Director of Training, without the necessary experience in fire suppression and EMS, and (b) time-consuming challenges to any appointment made which are difficult for the Fire Department to defend. The Budget Analyst continues to consider that the most appropriate appointment to the Director of Training position would be a fully cross-trained applicant who can lead the integration of fire and EMS training by example.[8]

The Budget Analyst concludes that the Fire Department has failed to provide sufficient evidence of a good faith effort to implement Recommendations 1.4.1, 1.4.2, and 1.4.3 of the Budget Analyst's January, 2002 Management Audit of the Fire Department as recommended by the Board of Supervisors Rules and Audits Committee. The Budget Analyst is concerned that:

- There is no detailed restructuring plan which presents a final organization chart, a detailed timeframe showing the steps towards achieving that organizational structure, and a detailed recruitment and hiring schedule.
- The Fire Department is proposing two separate in-service training manager positions.
- There are no specific job descriptions for each Division of Training managerial position.
- There has been no external advertising for cross-training applicants, and the Fire Department does not intend to advertise externally.
- The selection criteria for the Director of Training position are inadequate.
- The Director of Training job advertising process was unduly limited in terms of (a) only being distributed internally, and (b) the three-day submissions deadline for the second internal advertisement.

Due to the above concerns, the Budget Analyst recommends, as a policy option for the Board of Supervisors, that the Budget Committee reserve 75 percent of the FY 2003-2004 Division of Training budget, pending the Fire Department's submission to the Finance and Audits Committee by September 30, 2003 of a detailed restructuring plan for the Fire Department's training functions. This restructuring plan should specifically address the issues listed above. This proposed reserve would be in the amount of $4,094,075.

EMERGENCY MEDICAL SERVICE RESOURCES IN THE FIELD

According to the Fire Commission, the preferred level of ALS engine and Classification H-39 EMS Captain coverage is as follows:

1. 26 ALS engines per day. However, subsequent Memorandum of Understanding and budget negotiations have impacted this number. The Department has issued a General Order that paramedics will not be hired on overtime to staff ALS engines beyond 21 ALS engines per day.

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[8] Interviews for the Director of Training position were finally held on June 10 and 11, 2003. The interview panel comprised the Deputy Chief of Operations, the Deputy Chief of Administration, and Deputy Chief Rob Piper, Chief of the San Jose Fire Department's Bureau of Education and Training.

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This will have the effect of capping the number of ALS engines at 21 on a number of days. The Budget Analyst understands that overtime has not been capped in this way for any other job classification in the Fire Department.

2. Four EMS Rescue Captains per day. However, the Mayor's proposed budget funds three EMS Rescue Captains per day and has permanently eliminated the 4.20 FTEs which staff would staff the fourth EMS Rescue Captain per day.

RELATED BUDGET COMMITTEE ITEM – SEE APPENDIX REGARDING ITEM 10, FILE 03-0882

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings

AEC Suppression - GF-Non-Project-Controlled

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
146	002	Permanent Salaries - Uniform				116,293,247	116,085,379	*

* There is no change to Permanent Salaries - Uniform as a result of the following specific recommendations regarding individual classifications.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
164	002	Chief's Operator	H-10 A	50.00	21.50	4,043,931	1,738,890	2,305,041
165	002	Attrition Savings - Uniform	9993 U	(31.23)	(1.54)	(2,424,323)	(119,282)	(2,305,041

The Mayor's recommended FY 2003-04 budget originally defunded all 50.00 FTE Classification H-10 Chief's Operator positions by increasing attrition savings. However, following MOU negotiations with the Firefighters Union, Local 798, funding for 21.50 FTEs was reinstated by the Mayor's Office through technical adjustments, leaving just 28.50 FTEs unfunded. While the Department will deactivate these 28.50 FTE H-10 Chief's Operator positions in FY 2003-04, the Department has not eliminated the positions. The Budget Analyst recommends that these 28.50 FTEs be permanently eliminated. This would reduce the current 50.00 FTE Classification H-10 Chief's Operators to 21.50 FTEs permanently. As a result of eliminating these 28.50 FTE positions and their related salary costs, the FY 2003-04 attrition savings required for Program AEC Suppression are decreased by the full salary cost of 28.50 FTE Classification H-10 Chief's Operators.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
165	002	Battalion Chief (Fire Dept)	H-40 A	42.00	37.80	4,963,596	4,467,236	496,360
165	002	Attrition Savings - Uniform	9993 U	(17.09)	(10.69)	(1,326,214)	(829,854)	(496,360

The Mayor's recommended FY 2003-04 budget defunds 4.20 FTE Classification H-40 Battalion Chiefs (the staffing required by one Battalion Chief post) by increasing attrition savings. While the Department will deactivate these 4.20 FTE H-40 Battalion Chief positions in FY 2003-04, the Department has not eliminated the positions. The Budget Analyst recommends that the 4.20 FTEs be permanently eliminated. This would reduce the current 42.00 FTEs to 37.80 FTEs, thereby permanently eliminating one of the Department's ten Battalion Chief posts. As a result of eliminating these 4.20 FTE positions and their related salary costs, the FY 2003-04 attrition savings required for Program AEC Suppression are decreased by the full salary cost of 4.20 FTE Classification H-40 Battalion Chiefs.

This recommendation is in accordance with the Budget Analyst's Management Audit Recommendation 2.1.7.

partment: FIR Fire Department

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
5	002	Assistant Chief of Department (Fire Dept)	H-50 A	11.00	7.50	1,502,976	1,024,756	478,220
5	002	Attrition Savings - Uniform	9993 U	(15.18)	(9.02)	(1,178,025)	(699,805)	(478,220)

The Mayor's recommended FY 2003-04 budget defunds 3.50 FTE Classification H-50 Assistant Chief of Department positions (the staffing required for the Division Chief One post) by increasing attrition savings. While the Department will deactivate these 3.50 FTE H-50 Assistant Chief of Department positions, the Department has not eliminated the positions, despite the Division Chief One post not being staffed in FY 2002-2003 after its occupants were promoted to other positions. The Budget Analyst recommends that the 3.50 FTEs be permanently eliminated. This would reduce the current 11.00 FTEs to 7.50 FTEs, thereby permanently reducing the number of Division Chiefs from three to two. As a result of eliminating these 3.50 FTE positions and their related salary costs, the FY 2003-04 attrition savings required for Program AEC Suppression are decreased by the full salary costs of 3.50 FTE Classification H-50 Assistant Chiefs of Department.

This recommendation is in accordance with the Budget Analyst's January 2002 Management Audit Report Recommendation 2.1.2.

5	002	Attrition Savings - Uniform	9993 U	(21.29)	(23.97)	(1,653,902)	(1,861,770)	207,868

The Budget Analyst has recalculated the General Fund Uniform Salaries requirements by reviewing the Mayor's budget assumptions for attrition and the actual funding included in the proposed FY 2002-03 budget. Our recommendation to increase attrition savings reflects the results of this recalculation.

6	011	Overtime				3,761,833	3,509,891	251,942

Decrease overtime by the $277,000 expended in FY 2002-03 by the Bureau of Assignments on field staff overtime, less the overtime requirements of the Bureau's new civilian staff ($14,807 for one shift of civilian overtime per week and $10,251 for overtime pay for civilians who have to work on holidays), for a total decrease of $251,942.

6	013	Mandatory Fringe Benefits				12,059,370	12,001,434	57,936

Corresponds to decreases in Permanent Salaries - Uniform and overtime.

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
146	021	Travel				15,000	0	15,00

Reduce the Travel budget in accordance with the Department's updated needs. There were no expenditures in FY 2002-03. The Department is requesting $14,000 in order to attend training on homeland security, weapons of mass destruction, incident response to terrorist bombings, and emergency response to domestic biological incidents. The Department should actively seek Federal, State, and grant funding for the participation costs of attending such training. Overall, the Department has budgeted $30,191 for Travel.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
146	022	Training				57,985	5,539	52,44

Reduce the Training budget in accordance with the Department's updated needs. The 11 month expenditures (less $16,422 expended by the EMS Division which is being transferred to the Division of Training in FY 2003-04) are $3,851. Overall, the Department has budgeted $124,072 for Training.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
146	032	Utilities				35,806	30,785	5

Reduce the Utilities budget in accordance with the Department's updated needs. Year-to-date expenditures through March 31, 2003 were $20,273. Overall, the Department has budgeted $144,106 for Utilities.

AEE Investigation - GF-Non-Project-Controlled

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
150	021	Travel				3,900	1,550	2,35

Reduce the Travel budget in accordance with the Department's updated needs. The June 19, 2003 expenditures and encumbrances were $1,547. Overall, the Department has budgeted $30,191 for Travel.

AEF Support Services - GF-Non-Project-Controlled

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
151	001	Permanent Salaries - Misc.				856,993	1,225,843	*

* The recommended increase in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

epartment: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
51	002	Permanent Salaries - Uniform				1,232,466	767,230	*

* The recommended reduction in Permanent Salaries - Uniform is the total of the following specific recommendations regarding individual classifications.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
71	002	Firefighter	H-2 A	11.00	5.00	816,880	371,309	445,571
71	001	Purchaser	1952 N	0.00	0.75	0	48,221	(48,221)
71	001	Automotive Machinist	7313 N	0.00	5.25	0	320,629	(320,629)

By October 1, 2003, civilianize eight Classification H-2 Firefighter positions (6.00 FTEs for the nine months from October 1, 2003 through June 30, 2004) in the Bureau of Equipment. Of these eight positions, convert one Classification H-2 Firefighter position (0.75 FTE) into a Classification1952 Purchaser position (0.75 FTE), and convert seven Classification H-2 Firefighter positions (5.25 FTEs) into seven 7313 Automotive Machinist positions (5.25 FTEs) which are able to work on heavy duty machinery. The incumbents of the eight H-2 Firefighter positions would revert to the field to perform firefighting work.

This recommendation is in accordance with Budget Analyst's January 2002 Management Audit Report Recommendation 2.3.1.

The Department opposes civilianization of this function on the grounds that Bureau of Equipment firefighters are a part of the Department's daily staffing, respond to all greater alarms, can operate on the fireground, have a specialized experience about firefighters' equipment needs, and can repair equipment in the field. In response to the Budget Analyst's request for data on the amount of time these positions spend at fire incidents, the Department advised that in FY 2002-03 to date, Bureau of Equipment firefighters responded to 62 fires (just over one fire per week). The primary fireground responsibility of these positions is to ensure that apparatus remains in good working order. These positions primarily serve as automotive machinists and not primarily as firefighters. Therefore, the Budget Analyst continues to recommend that the Department civilianize these positions.

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
171	002	Captain, Division of Training	H-39 A	1.00	0.00	118,154	0	118,154
171	002	Attrition Savings - Uniform	9993 U	(1.16)	(0.01)	(99,523)	(1,034)	(98,489)

The functions of (a) the 1.00 FTE Classification H-39 Training Captain responsible for the Bureau of Equipment, and (b) the 1.00 FTE Classification H-30 Captain in the Division of Support Services, have been combined under the H-39 Training Captain position, as a result of the Mayor defunding the H-30 Captain position in FY 2003-04. All the positions reporting to the H-39 Training Captain position could equally report to an H-30 Captain position because they are ranked lower than an H-30 Captain. The Department has not justified the use of a more expensive H-39 Training Captain instead of an H-30 Captain. Therefore, the Budget Analyst recommends restoring funds for the H-30 Captain position, through reduced attrition savings, and eliminating the H-39 Training Captain position from which the current incumbent is retiring.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
151	009	Premium Pay				261,483	276,465	(14,982)

Increase Premium Pay to budget for Classification 7313 Automotive Machinist shift differentials for evening shifts ($5,993) and night shifts ($8,989).

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
151	013	Mandatory Fringe Benefits				313,091	327,399	(14,308)

Corresponds to increases in Permanent Salaries - Misc. and reductions in Permanent Salaries - Uniform.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
151	021	Travel				2,300	0	2,30

Reduce the Travel budget in accordance with the Department's updated needs. There were no expenditures in FY 2002-03. Overall, the Department has budgeted $30,191 for Travel.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
151	022	Training				7,300	2,572	4,72

Reduce the Training budget in accordance with the Department's updated needs. The 11 month expenditures are $2,572. Overall, the Department has budgeted $124,072 for Training.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
151	032	Utilities				18,300	16,251	2,04

Reduce the Utilities budget in accordance with the Department's updated needs. The 10 month expenditures are $13,731, with a projected expenditure of $2,520 for May and June of 2003. Overall, the Department has budgeted $144,106 for Utilities.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

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epartment: FIR Fire Department

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
EG Training Bureau - GF-Non-Project-Controlled								
3	021	Travel				200	0	200
	Reduce the Travel budget in accordance with the Department's updated needs. There were no expenditures in FY 2002-03. Overall, the Department has budgeted $30,191 for Travel.							
3	022	Training				25,155	21,437	3,718
	Reduce the Training budget in accordance with the Department's updated needs. The June 20, 2003 expenditure is $21,437 (inclusive of EMS Division expenditures of $16,422). Overall, the Department has budgeted $124,072 for Training.							
	024	Membership Fees				885	0	885
	Reduce the Membership Fees budget in accordance with the Department's updated needs. There were no FY 2002-03 expenditures. Overall, the Department has budgeted $6,599 for Membership Fees.							
EM Airport Services - SFIA-Operating-Non-Project-Controlled								
9	002	Permanent Salaries - Uniform				7,283,649	7,263,984	*
	* The recommended reduction in Permanent Salaries - Uniform is the total of the following specific recommendations regarding individual classifications.							

Department: FIR Fire Department

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
178	002	Captain, Division of Training	H-39 AT	1.00	0.00	118,154	0	118,154
178	002	Captain (Fire Department)	H-30 AT	0.00	1.00	0	98,489	(98,489

The Airport Services Division must provide training required by Part 139 of the Federal Aviation Authority Regulations for airport certification. During FY 2002-03, the Fire Department's Airport Services Division deactivated the Classification H-28 Lieutenant, Division of Training position which used to provide such training and transferred training responsibilities to a Classification H-30 Captain position, which has been funded and staffed as a higher paid Classification H39, Captain, Division of Training position. In FY 2003-04, the Airport Services Division proposes to formally replace the 1.00 FTE Classification H-30 Captain position with a 1.00 FTE Classification H-39 Captain, Division of Training position to provide such training in the future. This higher ranked position would be able to manage the Airport Services Division's remaining Classification H-30 Captains. However, the Budget Analyst has concluded that the Airport Services Division does not require a supervisory Classification H-39 position inserted between the Classification H-51 Assistant Deputy Chief II and the Division's 3.00 FTE H-30 Captain and 1.00 FTE H-32 Captain, Bureau of Fire Prevention and Public Safety positions. In light of the Department's simultaneous proposal to increase the rank of the Airport Services Division's Assistant Deputy Chief position to a Deputy Chief of Department position, which the Budget Analyst recommends be denied (File 03-1033, pending before the Rules Committee), and the Department's expressed goal of instituting a Classification H-40 Battalion Chief position at the Airport when funding allows, the Budget Analyst is concerned about increasing the number of senior staff at the Airport Services Division. Therefore, the Budget Analyst recommends against a 1.00 Classification H-39 Captain, Division of Training position replacing the 1.00 FTE Classification H-30 Captain position.

159	013	Mandatory Fringe Benefits	812,124	809,646	2,47

Corresponds to reductions in Permanent Salaries - Uniform

ASF Administration - GF-Non-Project-Controlled

161	001	Permanent Salaries - Misc.	1,888,403	2,140,371	*

* The recommended increase in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

161	002	Permanent Salaries - Uniform	950,474	907,359	*

* The recommended reduction in Permanent Salaries - Uniform is the total of the following specific recommendations regarding individual classifications.

epartment: FIR Fire Department

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
30	001	Personnel Technician	1203 AD	0.00	4.50	0	251,968	(251,968)
32	002	Lieutenant (Fire Dept)	H-20 AR	3.00	2.50	258,690	215,575	43,115

Civilianize the Bureau of Assignments under a Classification H-20 Lieutenant.

The Bureau of Assignments is staffed primarily by Classification H-20 Lieutenants on a rotational basis. In FY 2000-01, the Department budgeted for one Classification 1204 Senior Personnel Clerk and four Classification 1202 Personnel Clerks to civilianize the Bureau of Assignments's staffing. The Department selected civilian applicants, but did not hire them. As part of the Budget Analyst's January 2002 Management Audit of the Fire Department, the audit team reviewed the job responsibilities of the Classification H-20 Lieutenants assigned to the Bureau of Assignments. The audit team concluded that those job responsibilities could be performed equally well by civilian Classification 1203 Personnel Technicians. This recommendation was included in the Budget Analyst's January 2002 Management Audit Report (Recommendation 2.3.1).

In the Department's FY 2002-03 budget, the Classification 1204 and 1202 positions, which had never been filled, were deleted and the Department was funded instead to create five new Classification 1203 Personnel Technician positions to perform Bureau of Assignment functions from October 1, 2002 under the management of a Classification H-20 Lieutenant. These five positions were also never filled. The Department advises that it did not fill the new positions due to an instruction received from the Mayor in November of 2002 (over a month after the Department was supposed to have filled the new positions) to delay implementing new programs until FY 2003-04, to reduce all non-essential spending, and to hold open all vacant miscellaneous positions. The Budget Analyst notes that these positions (a) staff an ongoing, essential function, (b) represent a salary savings to the Department because they cost less than the uniformed Classification H-20 Lieutenant positions currently staffing the Bureau of Assignments, and (c) were only vacant because the Department had not filled them in a timely manner.

Instead, in FY 2002-03 the Fire Department staffed the Bureau of Assignments with 3.00 FTE Classification H-20 Lieutenants under a 1.00 FTE Classification H-40 Battalion Chief (although the program is only funded to have a 0.25 FTE H-40 Battalion Chief), supplementing them on most days with a fourth Lieutenant from the field on overtime. The proposed FY 2003-04 budget deletes all five Classification 1203 Personnel Technician positions.

Due to the five new floating holidays in FY 2003-04, the Budget Analyst estimates 15 percent non-productive time per FTE, which would require six Classification 1203 Personnel Technicians to fully staff the Bureau of Assignments seven days per week. Therefore, the Budget Analyst recommends that (a) funding for 4.50 FTE Classification 1203 Personnel Technician positions (6.00 FTEs on an annual basis) be restored in the Department's FY 2003-04 budget so that civilian staff can begin on October 1, 2003, (b) a 1.00 FTE Classification H-20 Lieutenant be retained as their manager, and (c) two Classification H-20 Lieutenants be retained between October 1 and December 31, 2003 (0.50 FTE) to provide training. These positions' salary costs would be offset by:

Department: FIR Fire Department

(a) Deletion of a 0.50 FTE Classification H-20 Lieutenant position. The incumbent would revert back to the field to perform firefighting duties.
(b) Deletion of $251,942 in Program AEC Suppression overtime (based on an estimated $277,000 expended on Bureau of Assignements overtime in FY 2002-03, less $14,807 for one shift of civilian overtime per week and $10,251 for overtime pay for civilians who have to work on holidays).
(c) No longer paying for the balance of the Classification H-40 Battalion Chief position (0.75 FTE at a salary cost of $118,181 and a mandatory fringe benefit cost of $14,891, for a total cost of $133,072) from salary savings.

Page No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
161	013 Mandatory Fringe Benefits				444,445	486,886	(42,441

Corresponds to reductions in Permanent Salaries - Misc. and Permanent Salaries - Uniform.

Page No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
161	021 Travel				8,791	0	8,79

Reduce the Travel budget in accordance with the Department's updated needs. There were no expenditures in FY 2002-03. Overall, the Department has budgeted $30,191 for Travel.

Page No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
161	022 Training				18,880	11,500	7,38

Reduce the Training budget in accordance with the Department's updated needs. The 11 month expenditures are $9,340. Overall, the Department has budgeted $124,072 for Training.

Page No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
161	027 Professional and Specialized Services				229,250	212,250	17,00

Disapprove the (a) $2,000 increase to the Energy Systems contract for generators, (b) $10,000 increase to the Parkside Appliance Service for dishwasher maintenance, and (c) $5,000 to the Barbara Litt Transcription Service for transcription services due to lack of justification.

Page No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
161	035 Other Current Expenses				65,178	64,673	50

Current year expenditure of $505 on membership fees appropriately budgeted under 024 in FY 2003-04. Therefore, this has been double-budgeted.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
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partment: FIR Fire Department

age No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
	Total Recommended Reductions						$478,064
	FY 2002-03 reserves that the Budget Analyst recommends should not be released (see Item No. 10, File 03-0882, shown as the Appendix to this report)						$161,138
	Total Available for Reallocation						$639,202

Department: FIR Fire Department

POTENTIAL SAVINGS FROM FIRE POLICY OPTIONS

Policy Option 1: Chief's Operators

Potential Saving

The Budget Analyst recommends, as a policy option for the Board of Supervisors, that the remaining 21.50 FTE Classification H-10 Chief's Operator positions be permanently eliminated. Approval of this recommendation would result in salary savings of $1,738,890, premium pay savings of $185,714, and mandatory fringe benefit savings of $242,500, for a total savings of $2,167,104.

$2,167,104

Policy Option 2: Battalion Chiefs

The Budget Analyst recommends, as a policy option for the Board of Supervisors, that a further 12.60 FTE Classification H-40 Battalion Chief positions be permanently eliminated to further reduce the number of battalions from nine to six per day. This would reduce the 37.80 FTEs to 25.20 FTEs in FY 2003-04. Approval of this recommendation, which is in accordance with the Budget Analyst's January 2002 Management Audit Report Recommendation 2.1.7, would result in salary savings of $1,489,081, premium pay savings of $108,839, and mandatory fringe benefits savings of $201,338, for a total savings of $1,799,258.

$1,799,2

Policy Option 3: Assistant Deputy Chief II, Health and Wellness (Safety) Program

The Budget Analyst recommends, as a policy option for the Board of Supervisors, that the 1.00 FTE Classification H-52 Assistant Deputy Chief II, Health and Wellness (Safety) Program be deleted. This position could be deleted immediately without adverse impact to the Department's operations due to its small span of control. The position's incumbent would revert back to Classification H-50 Assistant Chief of Department. Approval of this recommendation would result in salary savings of $143,542, and mandatory fringe benefits savings of $18,086, for a total savings of $161,628.

$161,628

Policy Option 4: Strategic Policy, Planning and Analysis Unit

The Budget Analyst recommends, as a policy option for the Board of Supervisors, that a Strategic Policy, Planning and Analysis Unit be created in the Department comprising the three new positions (Classification 0931 Manager III, Classification 1824 Principal Administrative Analyst, and Classification 1823 Senior Administrative Analyst) and restored funding for a deleted vacant Classification 1053 Information Systems Business Analyst - Senior position. This is in accordance with the Budget Analyst's January 2002 Management Audit Report Recommendation 1.3.1. Approval of this recommendation would cost $268,339 in salaries, and $50,984 in mandatory fringe benefits, for a total cost of $319,323.

($319,32

epartment: FIR Fire Department

olicy Option 5: Industrial Safety Program

The Budget Analyst recommends, as a policy option for the Board of Supervisors, that the funding for a Classification 6137 Assistant Industrial Hygienist and a Classification H-30 Captain be restored in order to staff a comprehensive Industrial Safety Program, in accordance with the Budget Analyst's January 2002 Management Audit Report Recommendation 1.7.7. Approval of this recommendation would cost $125,313 in salaries, and $19,082 in mandatory fringe benefits, for a total cost of $144,395.

($144,395)

olicy Option 6: Division of Training Restructuring

* The Budget Analyst recommends, as a policy option for the Board of Supervisors, the reserve of $4,094,075, or 75 percent, of the $5,458,766 Training Bureau budget pending Fire Department submission of a detailed Division of Training restructuring plan to the Board of Supervisors. This will permit the Board of Supervisors to monitor the Department's progress towards an integrated Division of Fire and Medical Training in accordance with Recommendations 1.4.2 and 1.4.3 of the Budget Analyst's January 2002 Management Audit Report, as recommended by the Rules and Audits Committee.

*

Potential Savings from Policy Recommendations	$3,664,272
Potential Reserves from Policy Recommendations	$4,094,075

ITEM 10 - FILE 03-0882

Item: Hearing to consider release of reserved funds, Fire Department's FY 2002-2003 budget, in the amount of $161,138 for salaries of five existing training officers (three H-39 Training Captains and two H-43 EMS Training Section Chiefs).

Amount: $161,138

Source of Funds: Reserved funds in the Fire Department's FY 2002-2003 budget, as finally approved by the Board of Supervisors.

Description: During its consideration of the Fire Department's budget for FY 2002-2003, the Board of Supervisors reserved six months of training salary costs, in the amount of $322,277, in order to have the Fire Department report back to the Finance Committee by December 1, 2002 on its progress towards reorganizing its training functions to create an integrated Division of Fire and Medical Training. At its January 15, 2003 meeting, the Finance Committee approved the release of half of the reserved funds, in the amount of $161,138, until the Fire Department provides the Finance and Audits Committee with a plan for the structural reorganization of its training and education functions in FY 2003-2004.

Comments: 1. In response to the Budget Analyst's request for a copy of the Fire Department's restructuring plan for the Fire Department's training functions, the Fire Department has not provided the Budget Analyst with such a plan.

2. Further, the Budget Analyst is concerned that:

- There is no detailed restructuring plan which presents a final organization chart, a detailed timeframe showing the steps towards achieving that organizational structure, and a detailed recruitment and hiring schedule.
- The Fire Department is proposing two separate in-service training manager positions.
- There are no specific job descriptions for each Division of Training managerial position.
- There has been no external advertising for cross-training applicants, and the Fire Department does not intend to advertise externally.

- The selection criteria for the Director of Training position are inadequate.
- The Director of Training job advertising process was unduly limited in terms of (a) only being distributed internally, and (b) the three-day submissions deadline for the second internal advertisement.

3. The Controller's nine month report projects an overall expenditure surplus in the Fire Department's FY 2002-2003 budget of $1,800,000. The Board of Supervisors has placed this projected expenditure surplus on reserve, requiring subsequent Board of Supervisors approval before these funds can be spent. For the nine month projection, the Controller assumed that all of General Fund reserved funds would be released and expended and that, to the degree that these reserved funds were not released and expended by year-end, the projected year-end balance would increase. Therefore, the subject reserved funds in the amount of $161,138 would be available to the Board of Supervisors for reallocation in the FY 2003-2004 budget.

Recommendation: Disapprove the requested release of reserved funds.

DEPARTMENT: HRD – HUMAN RESOURCES

FINANCIAL DATA:

The Human Resources proposed $77,625,522 budget for FY 2003-2004 is $2,985,703 or 4.0 percent more than the original FY 2002-2003 budget of $74,639,819. The net increase from the revised FY 2002-2003 budget is $2,848,268 or 3.8 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Increase (Decrease) 2002-2003 Original Budget
EMPLOYEE RELATIONS	$ 4,117,580	$ 4,117,580	$ 2,022,504	$ (2,095,076)
MERIT SERVICE SYSTEM	2,628,102	2,628,102	1,980,234	(647,868)
EQUAL EMPLOYMENT OPPORTUNITY	663,576	663,576	629,448	(34,128)
MANAGEMENT INFORMATION SYSTEM	2,736,424	2,736,424	2,971,770	235,346
ADMINISTRATION	3,953,145	3,953,145	3,359,400	(593,745)
WORKERS COMPENSATION	6,869,321	6,869,321	6,199,227	(670,094)
HEALTH SERVICE SYSTEM	87,930	225,365	(35,689)	(123,619)
Net Expenditures	$ 21,056,078	$ 21,193,513	$ 17,126,894	$ (3,929,184)
Work Order Recoveries	53,583,741	53,583,741	60,498,628	6,914,887
Total Expenditures	$ 74,639,819	$ 74,777,254	$ 77,625,522	$ 2,985,703

DEPARTMENT: HRD – HUMAN RESOURCES

DEPARTMENT PERSONNEL SUMMARY:

The proposed budget has resulted in the issuance of 18 layoff notifications. Of these notifications, 1 person will no longer have employment with the City. The number of full-time equivalent positions budgeted for FY 2003-2004 is 196.55 FTEs, which is 16.16 FTE less than the 212.71 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
TRAINING & ORGANIZATION DEVELOPMENT	2.63	2.64	0.01
EMPLOYEE RELATIONS	15.48	9.29	(6.19)
MERIT SERVICE SYSTEM	37.60	30.06	(7.54)
EQUAL EMPLOYMENT OPPORTUNITY	8.01	7.01	(1.00)
MANAGEMENT INFORMATION SYSTEM	14.17	16.59	2.42
ADMINISTRATION	34.04	27.65	(6.39)
WORKERS COMPENSATION	45.02	48.93	3.91
HEALTH SERVICE SYSTEM	55.76	54.38	(1.38)
Totals	212.71	196.55	(16.16)

The reduction of 16.16 FTEs is related to the reductions in the Employee Relations, Merit Service System, Administration, the Health Service System, and the Equal Employment Opportunity Divisions, offset by increases to the Workers Compensation, Management Information System and Training and Organization Development Divisions discussed below.

DEPARTMENT REVENUES

General Fund support has decreased by $3,929,184 or 18.7 percent primarily because of decreased expenditures in the Employee Relations Division, the Merit Service Systems Division, the Workers Compensation Division and the Administration Division.

DESCRIPTION

1. The net increase of $2,985,703 in the Human Resources Department's expenditures from the FY 2002-2003 budget of $74,639,819 to $77,625,522 is due to the following:

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- An increase of $7,472,204 in workers compensation insurance costs. Workers compensation costs are budgeted in the Workers' Compensation Fund at $49.6 million, an increase of approximately $7.5 million or 17.8 percent over FY 2002-2003. This increase is primarily due to changes in State law, which increased rates and not caused by increases in the number of City employees receiving workers compensation.
- A decrease of $2,095,076 and 6.19 FTEs in the Employee Relations Division's (EDR) expenditures because the negotiation of 47 of the City's Memoranda of Understanding (MOU) with the employee unions is completed.
- A decrease of $647,868 in the Merit Service System Division from the reduction of 7.54 FTEs due to the reassignment of 3 FTEs to the Workers Compensation program, the deletion of 1.5 Limited Tenure FTEs, the deletion of 2.00 vacant FTEs, a reduction of .33 FTE for reducing a 1232 Training Officer from 1.0 to .66 FTE, a .44 increase to Attrition Savings, and a change in the methodology by the Controller to calculate FTE numbers related to temporary salaries.
- A decrease of $670,094 in the Workers Compensation Division due primarily from the completion of the Best Practices in Workers Compensation project and the increase of 3.91 FTEs due to the transfer of positions from other Divisions.
- A decrease of $593,745 in Administration from the reduction of 6.39 FTEs, an additional reduction due to the methodology by the Controller to calculate FTE numbers related to temporary salaries, and a $142,000 reduction due to the transfer of the telephone services budget from the Administration Division to the Management Information Systems Division.
- A decrease of $557,317 in work order recoveries from other City departments that are not related to workers compensation insurance, such as a $300,000 reduction for services performed by the Employee Relations Division, and a $170,000 reduction for exams for the Fire Department performed by the Merit Service System division, and a $87,317 reduction in various other services.
- An increase of $77,599 from an increase of $235,346 in the Management Information System Divisions and a 2.42 FTE increase offset by a $123,619 and 1.38 FTEs reduction and a $34,128 and 1 FTE reduction in the Health Service System Division and the Equal Employment Opportunity Division respectively.

2. The Department of Human Resources has proposed no new positions and 14 upward substitutions, 6 of which were temporarily exchanged (TX) in FY 2002-2003. Of these 14 upward substitutions, we are recommending the approval of 10 upward substitutions. The Department of Human Resources has also proposed 9 downward substitutions, for a total of 23 substitutions.

3. The Budget Analyst notes that the Department of Human Resources has 12.50 FTEs that are coded Limited Duration or "L" positions. The total cost of salaries of these 12.50 FTE positions is $1,038,924 annually. Fringe benefits, totaling $197,396 (calculated at 19 percent of salaries), bring the total annual cost for these positions to $1,236,320. Six of these 12.50 FTEs have salaries of more than $90,000.

Positions are coded "L" when created if they are intended to exist for a limited duration, typically for the duration of a specific project, such as a bond funded project. The duration of such positions may be

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several years. The Department indicated to the Budget Analyst in the FY 2002-2003 budget review, that while it does maintain an extensive positions control worksheet that could be modified to include the tracking of "L" positions, there is no periodic assessment by the Department as to the continued necessity for such positions. The Budget Analyst has recommended to the Department that it be prepared to report back to the Budget Committee on the status of these Limited Duration positions and provide a justification for retaining these positions. We have recommended against an upward substitution of one "L" position for cost savings of $12,046.

COMMENT

The Mayor's budget provides an increase of $2,985,703. Our recommended reductions, which total $666,318 would still allow an increase of $2,319,385 or 3.1 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
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Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Employee Relations - General Fund Non-Project Controlled								
2911	021	Travel Reduce to actual FY 2002-2003 expenditure level. Overall, the Department has budgeted $12,300 for Travel.				$3,200	$1,727	$1,473
2911	035	Other Current Expenses Reduce to actual FY 2002-2003 expenditure level. Overall, the Department has budgeted $1,997,309 for Other Current Expenses.				145,000	50,000	95,000
Merit Service System - General Fund Non-Project Controlled								
2914	040	Materials and Supplies Reduce to actual FY 2002-2003 expenditure level. Overall, the Department has budgeted $162,239 for Materials and Supplies.				10,080	6,000	4,080
Equal Employment Opportunity - General Fund Non-Project Controlled								
2917	001	Permanent Salaries-Misc. * The recommended reduction in Permanent Salaries-Misc. is the total of the following specific recommendations regarding individual classifications.				527,823	509,554	*

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age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
932	001	Affirmative Action Specialist	1233	0.0	1.0	0	68,436	(68,436)
932	001	Associate Affirmative Action Coordinator	1231	1.0	0.0	86,705	0	86,705

Deny requested upward substitution of 1.0 FTE 1233 Affirmative Action Specialist to 1.0 FTE 1231 Associate Affirmative Action Coordinator because (1) the Department has not justified that this upward exchange is necessary and (2) to better maintain existing management to staff ratios. The Department is proposing the upward substitution of 2.0 FTE 1233 Affirmative Action Specialist to 2.0 FTE 1231 Associate Affirmative Action Coordinator positions. We are recommending approval of one of the two requested upward substitutions. If the other upward substitution is denied per our recommendation, this program would still have 3 FTE 1231 Associate Affirmative Action Coordinators who serve as assistant managers and 1 FTE 1235 Affirmative Action Coordinator who serves as the manager for a total of 7.1 FTEs in the Equal Employment Opportunity Division.

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
917		Mandatory Fringe Benefits				89,025	85,554	3,471

Corresponds to the reduction in Permanent Salaries.

anagement Information System - General Fund Non-Project Controlled

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
918	035	Other Current Expenses				84,140	61,259	22,881

Reduce to actual FY 2002-2003 expenditure level. Overall, the Department has budgeted $1,997,309 for Other Current Expenses.

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
918	040	Materials and Supplies				3,840	0	3,840

Reduce to actual FY 2002-2003 expenditure level. Overall, the Department has budgeted $162,239 for Materials and Supplies.

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Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Administration- General Fund Non-Project Controlled								
2920	001	Permanent Salaries-Misc.				1,412,905	1,224,882	*
		* The recommended reduction in Permanent Salaries-Misc. is the total of the following specific recommendations regarding individual classifications.						
2935	001	Manager III	0923	0.0	1.0	0	96,511	(96,511)
2935	001	Manager V	0932	1.0	0.0	111,722	0	111,722
		Deny requested upward substitution of 1.0 FTE 0923 Manager III to 1.0 FTE 0932 Manager V because the Departments has not provided justification that this substitution is legally mandated, would produce revenue, or would result in cost savings.						
2935	001	Senior Personnel Analyst	1244	0.0	1.0	0	80,167	(80,167)
2935	001	Departmental Personnel Officer	1270	1.0	0.0	92,979	0	92,97
		Deny requested upward substitution of 1.0 FTE 1244 Senior Personnel Analyst to 1.0 FTE 1270 Departmental Personnel Officer to (1) maintain existing management to staff ratio, and (2) because the Department has not provided justification that this substition is legally mandated, will produce revenue, or will result in cost savings.						
2934	9993M	Attrition Savings		(0.72)	(2.65)	(59,669)	(219,669)	160,000
		Increase attrition savings to reflect the actual attrition rate in FY 2002-2003 .						
2920	013	Mandatory Fringe Benefits				268,094	232,370	35,724
		Corresponds to the reduction in Permanent Salaries.						
2920	021	Travel				3,000	220	2,780
		Reduce to actual FY 2002-2003 expenditure level. Overall, the Department has budgeted $12,300 for Travel.						

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age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
orkers Compensation -General Fund Non-Project Controlled								
922	001	Permanent Salaries-Misc.				2,698,233	2,544,269	*
		* The recommended reduction in Permanent Salaries-Misc. is the total of the following specific recommendations regarding individual classifications.						
940	001	Manager IV	0931	0.0	1.0	0	103,866	(103,866)
38	001	Manager V	0932	1.0	0.0	111,722	0	111,722
		Deny requested upward substitution of 1.0 FTE limited duration 0931 Manager IV to 1.0 FTE limited duration 0932 Manager V because the Department has not adequately justified the upward substitution of this position.						
	001	Workers' Compensation Supervisor	8165	4.00	3.00	326,981	245,236	81,745
		Delete one vacant FTE 8165 Worker's Compensation Supervisor that has been vacant since July of 2002. After the elimination of this position, the Department would still have 3.0 FTE 2939 Worker's Compensation Supervisors in this division.						
939	001	Workers' Compensation Adjuster	8141	1.00	0.00	64,363	0	64,363
		Delete one FTE vacant 8141 Worker's Compensation Adjuster that has been vacant since July of 2002 for a savings of $64,363. After the elimination of this position, the Department would still have 19.0 FTE 8141 Worker's Compensation Adjusters.						
2922	013	Mandatory Fringe Benefits				524,492	495,239	29,253
		Corresponds to the reduction in Permanent Salaries.						
22	035	Other Current Expenses				54,000	33,560	20,440
		Reduce to actual FY 2002-2003 expenditure level. Overall, the Department has budgeted $1,997,309 for Other Current Expenses.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

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Department: HRD - Human Resources

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Health Service System - General Fund Non-Project Controlled								
2925	001	Permanent Salaries-Misc.				3,040,461	2,967,251	*
		* The recommended reduction in Permanent Salaries-Misc. is the total of the following specific recommendations regarding individual classifications.						
2941	001	Supervising Fiscal Officer	1675	1.0	0.75	102,100	76,575	25,525
		Adjust from 1 to .75 FTE to reflect an October 1, 2003 hiring date, instead of July 1, 2003. Also code this position Limited Tenure (LT), pending the outcome of the Budget Analyst's management audit of the Health Services system, as requested by the Board of Supervisors Motion MO 3-88 (File 03-0874).						
2941	001	Senior Clerk Typist	1426	1.0	0.0	47,685	0	47,685
		Delete 1.0 FTE vacant 1426 Senior Clerk Typist which is a Limited Tenure "L" position because of improved technology which allows the Benefits Analysts and Technicians to do their own clerical work. This position has been vacant since July 1, 2002. The Department will still have 1 Senior Clerk Typist.						
2925		Mandatory Fringe Benefits				625,131	611,221	13,910
		Corresponds to the reduction in Permanent Salaries.						
		Total Recommended Reductions						$ 666,318

Available Reserve Balances $ 232,174

See File No. 03-0943 and File No. 03-0944

Item 13 - File 03-0943

Department: Department of Human Resources (DHR)

Item: Hearing to consider the release of reserved funds in the amount of $253,875 for the Labor Relations Project.

Amount: $253,875

Source of Funds: General Fund monies reserved in the Department of Human Resources FY 2002-2003 budget.

Description: In the FY 2002-2003 budget, the Board of Supervisors appropriated $2,068,725 for the Labor Relations Project to support collective bargaining agreements with the City's 47 employee union organizations. The Board of Supervisors placed the following two reserves on the $2,068,725:

(1) $53,875 of the $150,000 budgeted for temporary salaries, pending HRD providing to the Board of Supervisors actual expenditure data once collective bargaining is underway that indicates that the HRD requires additional temporary salary funds.

(2) $200,000 of the $620,000 budgeted for professional and specialized services including:

- $150,000 of the $300,000 budgeted for consultant services, pending the determination of how many contracts will actually be settled through arbitration, and
- $50,000 of the $175,000 budgeted for research and note takers, pending the determination of how many contracts will actually be settled through arbitration.

Comments: 1. The Attachment to this report, provided by Mr. Jamie Austin of the HRD, provides expenditure information as of June 23, 2003 for salaries and benefits, consultants, note takers and other expenditures for the Labor Relations Project. As shown in this Attachment, HRD is projecting to expend a total of $87,995 for Temporary Salaries, which is less than the $107,750 ($161,625 appropriated less $53,875 reserved) appropriated and available by DHR. Therefore, DHR does not require the release of any of the $53,875 placed on reserve for Temporary Salaries.

2. As noted above, the Board of Supervisors reserved $200,000 for professional services, pending the submission of the actual number of contracts to be settled through arbitration. Mr. Austin states that the HRD will settle 15 labor contracts through arbitration, of which 11 have already been completed.

As discussed above, $150,000 of the total $300,000 appropriation for consultant services was placed on reserve. Mr. Austin estimates that the DHR will actually expend a total of $251,961 for consultants, or $48,039 less than the original appropriated amount of $300,000. As shown in the Attachment, $150,000 was originally appropriated and not placed on reserve for this purpose. Therefore, DHR would require an additional $101,961 ($251,961 less $150,000) be released of the $150,000 that was placed on reserve.

3. Mr. Austin advises that arbitration for 11 contracts has required 2,522 hours of research and note taking, at an hourly rate of $32.32 including benefits, for a total cost of $81,516. Mr. Austin further advises that arbitration of the remaining four contracts will require an estimated 1,700 additional hours of research and note taking at an hourly rate of $32.32 for a cost of $54,946, or total costs of $136,462 for research and note taking. This $136,462 is $38,538 less than the original budgeted amount of $175,000. Therefore, only $11,462 of the $50,000 that was placed on reserve is required to be released for this purpose ($50,000 reserved less $38,538 additional expenditures equals $11,462).

4. Based on HRD's estimates, release $113,423 ($101,961 for consultants and $11,462 for note takers) of the total $253,875 placed on reserve. This would leave the balance of $140,452 (requested $253,875 placed on reserve less $113,423 needed) available for appropriation for priorities of the Board of Supervisors.

Recommendation: Release $113,423 of the requested reserve. If the Board of Supervisors releases $113,423 of the total $253,875 on reserve, the balance of $140,452 would be available for appropriation for the Board of Supervisors priorities.

	Budgeted	On reserve	May 12 Memo	Actual through May	Projected for June	To date	Total Estimated	Release
Salaries and Benefits	$ 161,625	$ 53,875	$ 139,891	$ 78,574	$ 9,421	$ 84,246	$ 87,995	$ -
Consultants	$ 300,000	$ 150,000	$ 109,303	$ 91,003	$ 160,958	$ 111,862	$ 251,961	$ 101,961
Notetakers	$ 175,000	$ 50,000	$ 63,176	$ 71,812	$ 64,650	$ 81,516	$ 136,462	$ 11,462
Attorneys	$ 145,000	$ -	Not reported	$ 169,733	$ 19,089	$ 184,013	$ 188,822	$ -
Property Rent/Misc Professional Srvs	$ 111,690	$ -	Not reported	$ 22,424	$ 81,125	$ 29,114	$ 103,549	$ -
Materials and Supplies	$ 11,100	$ -	Not reported	$ 6,149	$ 4,951	$ 6,149	$ 11,100	$ -
City Attorney	$ 1,100,000	$ -	Not reported	$ -	$ 1,209,778	$ 720,619	$ 1,209,778	$ -
Controller	$ 50,000	$ -	Not reported	$ -	$ 50,000	$ 10,000	$ 50,000	$ -
DTIS	$ 4,100	$ -	Not reported	$ -	$ 15,000	$ -	$ 15,000	$ -
Telephone	$ 10,210	$ -	Not reported	$ -	$ 10,210	$ -	$ 10,210	$ -
Total	**$ 2,068,725**	**$ 253,875**	**$ 312,370**	**$ 439,695**	**$ 1,625,182**	**$ 1,227,519**	**$ 2,064,877**	**$ 113,423**

Explanation of Projected:

Salaries and benefits: Actual amounts (from PPE 5/23/03), plus full-time 1203 (Personnel Technician) for one month

(Note: Salary and benefits lower than May 12 estimate, as costs for wage comparability study moved to consultant costs)

Consultants: Estimated and actual arbitration and cancellation costs (detail below), plus wage comparability costs

Notetakers: 2,000 hours at $30/hour plus benefits for temporary employees

Property Rent/Misc Professional: Maintenance costs (billed through Library), cubicle removal/replacement, remaining office equip costs, security

Materials and Supplies: Remaining invoices for office supplies.

Attorneys: Remaining invoice for work on MAA negotiations (outside counsel)

City Attorney: Additional amount supports work for charter amendments and remaining negotiations

DTIS: Costs supported T1 installation and operation, Centrex installation, and phone line and voicemail

Controller and Telephone: Complete recovery expected.

Source: HRD, June 23, 2003

Item 14 - File 03-0944

Department: Human Resources Department

Item: Hearing to consider the release of reserved funds in the amount of $91,722 to cover current year's expenditures on the Management Classification and Compensation Plan (MCCP).

Amount: $91,722

Source of Funds: General Fund monies reserved in February of 1996.

Description: On February 12, 1996, the Board of Supervisors approved a $300,000 supplemental appropriation for the Human Resources Department (HRD) to conduct a classification study for FY 1995-1996 (File 101-95-39). The HRD selected David M. Griffith & Associates as the preferred consultant for a cost of $300,000 to conduct a classification study. HRD reported to the Budget Analyst in January of 1996 that one half of the proposed $300,000 appropriation, or $150,000 would be dedicated to a first phase study for reviewing specific position classifications for those covered by the following four employee union contracts: (1) the Municipal Executives Association (MEA); (2) the Municipal Attorney's Association (MAA); (3) Local 21 for Engineers; and (4) Local 21 for Accountants. The HRD reported that this first phase study would be completed within one year, or by January of 1997. The Board of Supervisors therefore placed $150,000 of the $300,000 appropriation on reserve pending a report back to the Budget Committee on the results achieved from the first $150,000 expenditure.

As of the writing of this report, HRD has not yet explained the outcome of this $150,000 contract or the results achieved using the initial $150,000 for the study.

The subject request for release of $91,722 is from this balance of $150,000 placed on reserve in 1996, or over seven years ago. HRD did not previously request the release of the remaining $150,000 on reserve, because according to Ms. Gourdine, to date, at the request of HRD, the Board of Supervisors separately appropriated a total of $1,036,137 for this management classification study, currently named the Management Classification and Compensation Plan (MCCP). Ms. Gourdine reports that the $1,036,137 was used to fund in-house Civil Service staff in HRD to (1) design the new management structure, (2) evaluate the feasibility of the MCCP project, and (3) allocate 276 formerly Special Assistant positions into this new management structure. The Budget Analyst notes that in January of 1996, the HRD estimated that an overall Citywide classification study would cost approximately $2,000,000 to complete.

Ms. Gourdine states that the overall MCCP project is a three-phase project that is estimated to be completed in June of 2004 at a total estimated General Fund cost of $1,688,515. This total estimated cost includes the previously appropriated $1,036,137 and an additional $652,378 that is included in DHR's FY 2003-2004 budget.

Comments:

1. Based on documents submitted to the Budget Analyst's Office for this requested release of reserve, the Budget Analyst notes that this $91,722 request is for work already completed. Mr. Jamie Austin of DHR states that the Department is retroactively requesting the release of these reserved funds because of delays in scheduling the requested release of funds until the HRD budget hearing. Therefore, the Budget Analyst notes that these funds have already been expended from the subject reserve without first obtaining Board of Supervisors approval.

2. In the FY 2002-2003 Nine-Month Budget Status Report, the Controller projected an overall expenditure surplus in the HRD's FY 2002-2003 budget of $300,000. Mr. Austin advises that the HRD is now projecting a $620,000 surplus in Permanent Salaries and Fringe Benefits. Because (1) the Mayor's Office balanced HRD's FY 2003-2004 budget assuming a $300,000 surplus and (2) the entire $91,722 requested release of reserve would be used for salaries in the Merit Services System Division of the HRD, and (3) the request is retroactive, the Budget Analyst recommends using $91,722 of the $620,000 projected surplus rather than releasing $91,722 of funds

reserved in 1996. This $91,722 would then be available for appropriation for priorities of the Board of Supervisors.

Recommendations:

1. Disapprove the requested release of reserved funds. If the Board of Supervisors disapproves this request, then $91,722 is available for appropriation for the Board of Supervisors priorities.

2. Request DHR to submit a report to the Board of Supervisors accounting for all expenditures in detail for the previously incurred expenditures totaling $1,036,137 together with the report that identifies the MCCP results of such expenditures including the results of the David M. Griffith & Associates FY 1996-1997 classification study.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
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DEPARTMENT: **CSC – CIVIL SERVICE COMMISSION**

FINANCIAL DATA:

The Civil Service Commission proposed $633,585 budget for FY 2003-2004 is $69,874 or 9.9 percent less than the original FY 2002-2003 budget of $703,459. The net decrease from the revised FY 2002-2003 budget is the same as the original.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	 Revised	Mayor's Budget Fiscal Year 2003-2004	Increase (Decrease) 2002-2003 Original Budget
CIVIL SERVICE COMMISSION	$ 703,459	$ 703,459	$ 504,096	$ (199,363)
Net Expenditures	$ 703,459	$ 703,459	$ 504,096	$ (199,363)
Work Order Recoveries			129,489	129,489
Total Expenditures	$ 703,459	$ 703,459	$ 633,585	$ (69,874)

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 5.65, which is .85 fewer FTE than the 6.50 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CIVIL SERVICE COMMISSION	6.50	5.65	(0.85)
Totals	6.50	5.65	(0.85)

DEPARTMENT: CSC – CIVIL SERVICE COMMISSION

DEPARTMENT REVENUES

General Fund support has decreased by $199,363 or 28.3 percent. This was accomplished primarily by an addition of $129,489 in work orders payable by City departments to the Civil Service Commission. These now work ordered services were previously performed by the Civil Service Commission for City departments and funded by the General Fund.

DESCRIPTION

The decrease in Civil Service Commission net expenditures from FY 2002-2003 original budget is $69,874. The decrease is related to:

- A reduction of $11,211 in Professional and Specialized Services, including a $10,000 reduction in hearing officer services and a $1,500 reduction in court reporter services.
- A reduction of .84 FTE.

The Civil Service Commission expended $131,500 on outside legal fees related to the previous Director of Elections lawsuit and absorbed $63,183 of these costs within their FY 2001-2002 and FY 2002-2003 budgets. The remaining $68,317 that is still owed to a private law firm is not included in the FY 2003-2004 budget.

RECOMMENDATIONS:

NONE.

DEPARTMENT: ADM- ADMINISTRATIVE SERVICES

FINANCIAL DATA:

The Department of Administrative Services' proposed $87,833,105 budget for FY 2003-2004 is $14,875,559 or 20.4 percent more than the original FY 2002-2003 budget of $72,957,546. The net increase from the revised FY 2002-2003 budget is $15,246,731 or 21.0 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
COUNTY CLERK SERVICES	$ 624,893	$ 624,893	$ 611,021	$ (13,872)
CONSUMER ASSURANCE	1,981,237	1,981,237	1,411,912	(569,325)
ANIMAL CARE AND CONTROL	3,256,749	3,256,749	3,000,764	(255,985)
ADMINISTRATION	2,872,800	2,501,628	2,092,437	(780,363)
CAPITAL ASSET PLANNING	-	-	336,477	336,477
DISABILITY ACCESS	4,858,879	4,858,879	919,430	(3,939,449)
CITY ADMINISTRATOR SUPPORT	344,397	344,397	333,919	(10,478)
REPRODUCTION SERVICES	-	-	525,000	525,000
OCA - PROCUREMENT SERVICES	2,178,568	2,178,568	1,727,511	(451,057)
CENTRAL SHOPS	9,000	9,000	26,430	17,430
REAL ESTATE WORK ORDERS	6,020,423	6,020,423	5,992,893	(27,530)
GRANTS FOR THE ARTS	-	-	14,887,000	14,887,000
NEIGHBORHOOD BEAUTIFICATION	-	-	1,145,419	1,145,419
25 VAN NESS BUILDING	2,404,190	2,404,190	2,404,190	-
1660 MISSION STREET BUILDING	2,457,135	2,457,135	2,644,710	187,575
555 SEVENTH STREET BUILDING	960,000	960,000	960,000	-
30 VAN NESS BUILDING	4,097,210	4,097,210	4,097,210	-
OCA - MIN COMPENSATION / HEALTH CARE	487,036	487,036	454,342	(32,694)
OCA - LABOR STANDARDS ENFORCEMENT	178,506	178,506	56,364	(122,142)
FACILITIES MANAGEMENT AND OPERATIO	5,265,983	5,265,983	5,646,971	380,988
REAL ESTATE SERVICES	(5,664,869)	(5,664,869)	(5,671,872)	(7,003)
VEHICLE & EQUIPMENT MAINT & FUELING	-	-	-	-
FLEET MANAGEMENT	-	-	355	355
Net Expenditures	$ 32,332,137	$ 31,960,965	$ 43,602,483	$ 11,270,346
Work Order Recoveries	40,625,409	40,625,409	44,230,622	3,605,213
Total Expenditures	$ 72,957,546	$ 72,586,374	$ 87,833,105	$ 14,875,559
Less: Capital and Facilities Maint.	5,920,000	5,920,000	985,000	(4,935,000)
Total Operating Budget	$ 67,037,546	$ 66,666,374	$ 86.848,105	$ 19,810,559

DEPARTMENT: ADM- ADMINISTRATIVE SERVICES

DEPARTMENT PERSONNEL SUMMARY:

The Department has budgeted for five layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 371.38 FTEs, which is 7.65 FTEs more than the 363.73 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
COUNTY CLERK SERVICES	7.80	7.80	0.00
CONSUMER ASSURANCE	21.31	18.01	(3.30)
ANIMAL CARE AND CONTROL	41.48	39.90	(1.58)
ADMINISTRATION	20.91	19.68	(1.23)
CAPITAL ASSET PLANNING	0.00	3.00	3.00
DISABILITY ACCESS	0.00	5.00	5.00
CITY ADMINISTRATOR SUPPORT	4.00	4.00	0.00
REPRODUCTION SERVICES	25.41	25.23	(0.18)
OCA - PROCUREMENT SERVICES	35.90	34.71	(1.19)
RISK MANAGEMENT / GENERAL	6.52	6.31	(0.21)
REAL ESTATE SERVICES	22.41	21.75	(0.66)
GRANTS FOR THE ARTS	0.00	4.92	4.92
NEIGHBORHOOD BEAUTIFICATION	0.00	2.00	2.00
OCA - MIN COMPENSATION / HEALTH CAR	3.76	4.76	1.00
OCA - LABOR STANDARDS ENFORCEMENT	4.72	4.72	0.00
FACILITIES MANAGEMENT AND OPERATIO	57.81	57.62	(0.19)
VEHICLE & EQUIPMENT MAINT & FUELING	111.70	110.72	(0.98)
FLEET MANAGEMENT	0.00	1.25	1.25
Totals	363.73	371.38	7.65

The 7.65 FTE increase is due to the following:

- 12.5 FTE decrease for deleted positions,
- 3.56 FTE decrease for attrition savings,
- 0.75 FTE increase for an annualization,
- 1.16 FTE decrease in temporary positions,
- 7.00 FTE increase in net reassignments
- 10.00 FTE increase for non-operating positions converting to operating positions.

DEPARTMENT: ADM- ADMINISTRATIVE SERVICES

DEPARTMENT REVENUES

Department revenues have increased by $16,725,408 or 128 percent and General Fund support has decreased by $6,155,062 or 34.1 percent.

TECHNICAL ADJUSTMENTS

The Mayor's technical adjustments submitted to the Budget Analyst on June 11, 2003 includes the transfer of the Capital Asset Planning Program from the Department of Administrative Services budget to the Department of Public Works budget for Fiscal Year 2003-2004.

DESCRIPTION

In FY 2003-2004, the total Department of Administrative Services' proposed budget expenditures of $87,833,105 are $14,875,559 more than the original FY 2002-2003 budget of $72,957,546. Major changes in expenditures include the following:

1. A $13,872 decrease for the County Clerk Services due predominantly to reductions in mandatory fringe benefits.

2. A $569,325 decrease for Consumer Assurance due predominantly to salary costs, mandatory fringe benefits and capital costs.

3. A $255,985 decrease in Animal Care and Control due principally to a reduction in salary costs, mandatory fringe benefits and capital expenses.

4. A $780,363 reduction in Administration due predominantly to a reduction in salary costs, mandatory fringe benefits, materials and supplies and capital expenses.

5. A $336,477 increase in Capital Asset Planning due to the transfer of Capital Asset Planning from the Mayor's Office to Administrative Services. However, the Mayor's technical adjustments stated above will reassign Capital Asset Planning to the Department of Public Works.

6. A $3,939,449 reduction in Disability Access due predominantly to a reduction in capital expenses, salary costs and mandatory fringe benefits.

7. A $10,478 reduction in City Administrator Support due a reduction in services of other departments and mandatory fringe benefits, offset by an increase in salary costs.

8. A $525,000 increase in Reproduction Services reflecting expenditures to be funded through use of fund balance rather than interdepartmental recoveries.

9. A $605,893 decrease in the Office of Contract Administration due predominantly to reductions in salary costs, mandatory fringe benefits and equipment expenses.

10. A $17,430 increase in Central Shops due to an increase in the services of other departments.

DEPARTMENT: ADM- ADMINISTRATIVE SERVICES

11. A $34,533 reduction in the Real Estate Services due predominantly to reductions in fringe benefits, maintenance services, offset by increases in salary costs.

12. A $14,887,000 increase in Grants for the Arts due to the transfer of Grants for the Arts from the Mayor's Office to Administrative Services.

13. A $1,145,419 increase in Neighborhood Beautification due to the transfer of Neighborhood Beautification from the Mayor's Office to Administrative Services.

14. A $187,575 increase for the 1660 Mission Street Building due predominantly to an increase in debt services and maintenance expenses.

15. A $380,988 increase for Facilities Management and Operations due primarily to an increase in services of other departments (for the new Entertainment Commission, which is budgeted here) and salary costs, offset by mandatory fringe benefits and equipment purchases.

16. A $355 increase for the Fleet Management Program due to the creation of this new program. The Department will seek outside grant funding for one 1826 Fleet Administrator position.

17. The remaining $3,605,213 increase is for work order recoveries.

COMMENTS

1. In Fiscal Year 2003-2004 the Office of Contract Administration, Animal Care and Control and Consumer Assurance, which were separately budgeted in FY 2002-2003, have been included in the budget for the Department of Administrative Services.

2. In addition, the Grants for the Arts Program and the Neighborhood Beautification Program were previously part of the Mayor's Office. However, in Fiscal Year 2003-2004 these programs have been transferred to the Department of Administrative Services.

3. In Fiscal Year 2002-2003 the Facilities Management and Operations Program, which maintains and operates City Hall, was included in the Convention Facilities Management budget under the title of Building Operations Program. However for Fiscal Year 2003-2004, the Facilities Management and Operations Program has been transferred to the Department of Administrative Services.

4. The new Entertainment Commission has been included in the budget for Department of Administrative Services under Facilities Management and Operations.

5. An ordinance that would establish an Administrative Services Vehicle Leasing Program (File 03-0980) as part of the Fleet Management Program is before the Budget Committee. A report for this ordinance is appended.

Department: ADM - ADMINISTRATIVE SERVICES

AME County Clerk Service - GF - Non-Project Controlled

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2721	040	Materials & Supplies Reduce to Department's adjusted need.				$14,000	$12,000	$2,000

AOB Consumer Assurance - GF - Non-Project Controlled

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2722	022	Training Reduce Training Budget in accordance with Department's updated needs. Eleven month expenditures are at $725.				2,025	791	1,234
2722	060	Equipment Purchase * The recommended reduction in equipment is the total of the following specific recommendations.				10,000	4,765	*
2783	0600	Equipment Not Detailed Reduce Equipment Budget in accordance with Department's updated needs. The Department budgeted $10,000 to purchase a new computer server, but Administrative Services (Reproduction and Mail Services Division) has agreed to donate a used server to Consumer Assurance. However, Administrative Services estimates $3,765 required in software upgrades and estimates $1,000 in maintenance required for the donated server.				10,000	4,765	5,235

RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR AMENDMENT OF BUDGET ITEMS
2003-04

epartment: ADM - ADMINISTRATIVE SERVICES

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
UA Animal Care and Control - GF - Non-Project Controlled								
725	001	Permanent Salaries- Misc.				$1,950,356	$1,948,583	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
762	001	Field Services Assistant Supervisor	3378	2.00	1.00	98,450	49,225	49,225
762	001	Animal Control Officer	3372	8.00	9.00	379,612	427,064	($47,452)
		Disapprove upward substitution from 1.0 FTE 3372 Animal Control Officer to 1.0 FTE 3378 Field Services Assistant Supervisor. The upward substitution is not legally mandated, does not produce revenue, and does not result in savings.						
725	001	Mandatory Fringe Benefits				446,765	446,428	337
		Corresponds to a reduction in Permanent Salaries- Misc						
725	022	Training				3,600	3,417	183
		Reduce Training Budget to amount justified in Department explanations. Eleven month expenditures for Training are at $3,132.						

Department: ADM - ADMINISTRATIVE SERVICES

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
FAC Administration - GF - Non-Project Controlled								
2729	001	Permanent Salaries- Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations.				$1,547,741	$1,544,964	*
2765	9993M	Attrition Savings- Misc. Increase Attrition Savings-Misc. to reflect the use of a 1652 Senior Accountant instead of a 1654 Principal Accountant in a Work Order from the Department on the Status of Women.		(2.88)	(2.92)	(223,083)	(225,860)	$2,777
2729	086	Interdepartmental Recovery Corresponds to the adjustment in Attrition Savings Misc.				(441,557)	(438,780)	(2,777)
FCT Risk Management / General								
2741	001	Permanent Salaries- Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$515,265	$436,627	*

RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR AMENDMENT OF BUDGET ITEMS
2003-04

partment: ADM - ADMINISTRATIVE SERVICES

age Io.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
772	001	Special Assistant XI	1370 A	2.00	1.00	157,276	78,638	$78,638
		To eliminate one vacant Special Assistant XI position at an annual savings of $78,638, not essential to operations. This position was created as a new position in FY 2001-2002, and has never been filled. The Risk Management Program has an additional vacant Special Assistant XI that it plans to fill in FY 2003-2004 to implement a Loss Prevention Program, which the Budget Analyst is not recommending be deleted.						
741	013	Mandatory Fringe Benefits				87,780	72,839	$14,941
		Corresponds to a reduction in Permanent Salaries-Misc.						
741	040	Materials & Supplies				10,000	7,500	$2,500
		Corresponds to the reduction in planned staffing.						

ON Real Estate Work Orders

743	001	Permanent Salaries - Misc.				1,863,371	1,782,598	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

Department: ADM - ADMINISTRATIVE SERVICES

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2773	001	Real Property Officer	4140A	5.00	4.00	403,866	323,093	80,773
		Delete one position that has been vacant since June of 2000 . The Department will still have four Real Property Officer positions.						
2743	013	Mandatory Fringe Benefits				302,394	287,048	15,346
		Corresponds to reduction in Permanent Salaries- Misc.						
2743	040	Materials & Supplies				19,050	15,000	4,050
		Reduce funding to $15,000 to reflect the Department's updated needs in FY 2003-2004.						

OCA - Min Compensation / Health Care Ordinance

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2750	040	Materials & Supplies				22,315	16,615	5,700
		Reduce funding to $16,615 to Department's updated needs in FY 2003-2004.						

FCC Office of Contract Administration - Procurement Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2739	001	Permanent Salaries- Misc.				2,439,767	2,439,767	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR AMENDMENT OF BUDGET ITEMS
2003-04

epartment: ADM - ADMINISTRATIVE SERVICES

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
770	001	Purchaser Eliminate two vacant positions, which have been vacant for two years. This deletion is offset by an equivalent reduction in Attrition Savings and therefore results in no net savings but removes the vacant position from the Department's budget.The Department will still have 12 Purchaser positions in FY 2003-2004.	1952 A	14.00	12.00	905,692	776,307	$129,385
770	9993M	Attrition Savings- Misc. Decrease Attrition Savings to reflect the recommended elimination of the two vacant1952 Purchaser positions. In FY 2002-2003 one 0922 Manager I position with an annual salary of $88, 478 was vacant for nearly seven months, producing salary savings that the Department does not expect to realize in FY 2003-2004. In addition, three 1952 Purchaser and two 1956 Senior Purchaser positions were vacant for two to three months, also producing salary savings that the Department does not expect to realize in FY 2003-2004.		(3.56)	(2.58)	(247,171)	(117,786)	($129,385)
739	035	Materials & Supplies Reduce to actual FY 2002-2003 expenditure level adjusted by a cost of living factor for FY 2003-04 and projected expenditures in FY 2003-2004. Eleven month expenditures are $25,180.				32,169	29,169	$3,000
		Total Recommended Reductions						$ 215,710

Department: ADM - ADMINISTRATIVE SERVICES

POLICY RECOMMENDATIONS

FAC Administration - GF - Non-Project Controlled

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2729	024	Membership Fees				125,676	125,676	*

* The Department budgted $125,676 for membership in theAssociation of Bay Area Governments (ABAG). ABAG is the organization of city and county governments in the nine county Bay Area that works with issues in the following areas: land use, housing, environmental quality and economic development. Based on the significant cost of the Membership Fees the Budget Analyst considers the approval of this item as a policy matter for the Board of Supervisors.

Potential Savings from Policy Recommendations **125,676**

Item 11 - File 03-0980

Department: Department of Administrative Services (DAS)

Item: Ordinance amending the San Francisco Administrative Code by adding Section 10.100-9, to establish an Administrative Services Vehicle Leasing Program Fund.

Description: On April 8, 2003, the Board of Supervisors approved an ordinance establishing the Fleet Management Program, effective on July 1, 2003, by adding a new Section 4.10-1 to the Administrative Code (File 03-0315). This new Section 4.10-1 will (1) place all general purpose vehicles[1] owned, and leased by the City under the jurisdiction of the Director of DAS; (2) authorize the Director of DAS to assign vehicles for use by individual positions and departments; (3) direct the Director of DAS to adopt rules and regulations necessary to implement a vehicle fleet management program, including rules covering (a) the terms, conditions, and fees for assignment of vehicles by the DAS to individual City officers and departments, (b) vehicle maintenance programs, and (c) vehicle replacement plans; and (d) authorize the Director of DAS to set fees in consultation with the Controller to charge City departments for (I) the acquisition and replacement of vehicles, (II) the maintenance and repair of vehicles, and (III) other vehicle costs of administering a fleet management program.

The proposed ordinance would establish the Administrative Services Vehicle Leasing Program Fund (Fund) as a "category six fund" under the provisions of Article XIII of the Administrative Code to collect the fees authorized by the previously approved ordinance (File 03-0315). Under Article XIII of the Administrative Code, monies deposited into a category six fund are automatically appropriated for expenditures consistent with the purpose and use of the fund. Therefore, the proposed Fund would received funds work-ordered or transferred to the DAS by other City departments for the use, maintenance and replacement of City-owned general purpose vehicles. Monies in a category six fund that remain unexpended and unencumbered at the end of the fiscal year are carried forward to the next fiscal year.

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[1] "General purpose vehicles" include automobiles, vans, and light trucks that have not been specially modified for a particular use such as a specially equipped Police Department vehicle.

According to Mr. Ara Minasian of the DAS, the Vehicle Leasing Program is a component of the Fleet Management Program by which other City departments would lease City-owned or City-leased vehicles that are part of the Fleet Management Program from the DAS. Mr. Minasian reports that 841 vehicles have been assigned to the Fleet Management Program for Fiscal Year 2003-2004. Mr. Minasian advises that the DAS, in consultation with the Controller's Office, has set the following fees under the Vehicle Leasing Program:

Vehicle Class	Annual Lease Fee
Sedans	$1,989 to $2,238
Pickups	1,941 to 2,273
Vans	2,251 to 2,254
SUV's	2,162 to 2,778

The fees shown above are further detailed in the Attachment , provided by the DAS, which shows specific fees for specific vehicle classes within the four classes shown above.

Comments:

1. According to Mr. Minasian, the Fleet Management Program would replace 841 vehicles over a nine-year period. However, Mr. Minasian advises that proposed FY 2003-2004 budget includes funding for only 25 percent of the replacement plan in the first year of the nine-year plan. 39 vehicles are expected to be replaced in FY 2003-2004. Mr. Minasian reports that if the replacement plan is budgeted at 100 percent of the planned replacement, then the fees shown above would increase to reflect the cost of replacing a greater number of vehicles.

2. Mr. Minasian estimates that in FY 2003-2004 the Vehicle Leasing Program will collect $1,778,440 in annual leasing fees from departments leasing vehicles from the Vehicle Leasing Program. Mr. Minasian reports that this amount includes costs for (a) vehicle maintenance, (b) replacement of vehicles and (c) permanent salaries and fringe benefits for Administrative Services staff.

3. According to Mr. Minasian, the Department of Parking and Traffic (DPT) intended include its 107 vehicles in the Fleet Management Program. However, Mr. Minasian reports that the DPT will not participate in the Fleet Management Program, since the DPT is part of the Metropolitan Transportation Agency, which is allowed to be exempt from participation in the Fleet Management Program.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Attachment A: Lease rates by vehicle class

		A. Replacement Cost					B	C	A+B+C
Vehicle Class	Included in Leasing Program?	Purchase Cost	w/Tax	Overhead	Salvage Value ($200) - [Disposal & Licensing Cost ($200)] = 0	Amortized Cost	Maintenance Cost	Admin Cost	Total Annual Rate
COMPACT CARS	Y	21,251	23,057	11	-	957	1,104	30	2,091
FULL SIZE CARS	Y	24,570	26,658	11	-	1,105	1,104	30	2,238
MID SIZE PASSENGER CARS	Y	21,251	23,057	11	-	957	1,104	30	2,091
MINIVAN	Y	20,724	22,486	11	-	933	1,288	30	2,251
OUTFITTED FULL SIZE CARS	Y	26,145	28,367	11	-	1,175	1,104	30	2,309
OUTFITTED MID SIZE PASSENGER CARS	Y	18,975	20,588	11	-	855	1,104	30	1,989
PICKUP, HEAVY DUTY	N	N/A			-	-			
PICKUP, MEDIUM DUTY	N	N/A			-	-			
PICKUP, MINI	Y	13,756	14,925	11	-	623	1,288	30	1,941
PICKUP, STANDARD	Y	21,205	23,007	11	-	955	1,288	30	2,273
SUBCOMPACT CARS	Y	21,251	23,057	11	-	957	1,104	30	2,091
SUV, FULL SIZE	Y	32,550	35,317	11	-	1,460	1,288	30	2,778
SUV, MINI	Y	18,725	20,317	11	-	844	1,288	30	2,162
SUV, REGULAR	Y	30,065	32,621	11	-	1,349	1,288	30	2,667
VAN, HEAVY DUTY	N	N/A			-	-			
VAN, MEDIUM DUTY	N	N/A			-	-			
VAN, STANDARD DUTY	Y	20,784	22,550	11	-	936	1,288	30	2,254
OUTFITTING COST		1,500							
SALES TAX RATE		8.50%							

Attachment

DEPARTMENT: CME – ADMIN SERVICES- MEDICAL EXAMINER

FINANCIAL DATA:

The Department of Administrative Services – Medical Examiner's proposed $3,996,206 budget for FY 2003-04 is $116,082 or 2.8 percent less than the original FY 2002-03 budget of $4,112,288. The net decrease from the revised FY 2002-2003 budget is $130,820 or 3.2 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
ADMINISTRATION	$ 800,667	$ 800,667	$ 657,474	$ (143,193)
MEDICAL SERVICES	2,032,290	2,047,028	2,010,429	(21,861)
INVESTIGATIVE SERVICES	1,262,341	1,262,341	1,290,313	27,972
Net Expenditures	$ 4,095,298	$ 4,110,036	$ 3,958,216	$ (137,082)
Work Order Recoveries	16,990	16,990	37,990	21,000
Total Expenditures	$ 4,112,288	$ 4,127,026	$ 3,996,206	$ (116,082)

DEPARTMENT: CME ADMIN SERVICES – MEDICAL EXAMINER

DEPARTMENT PERSONNEL SUMMARY:

The Department has budgeted for layoffs (explained in the Personnel Section below). The number of full-time equivalent positions budgeted for FY 2003-04 is 30.90 FTEs, which is 1.98 FTEs less than the 32.88 FTEs in the original FY 2002-03 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	**Fiscal Year 2002-2003 Original**	**Mayor's Budget Fiscal Year 2003-2004**	**Proposed Increase (Decrease) From 2002-2003 Original Budget**
ADMINISTRATION	7.09	5.06	(2.03)
MEDICAL SERVICES	13.32	13.28	(0.04)
INVESTIGATIVE SERVICES	12.47	12.56	0.09
Totals	32.88	30.90	(1.98)

DEPARTMENT REVENUES

Department revenues and General Fund support has remained at $260,000 for FY 2003-2004.

DESCRIPTION

The net decrease in the Medical Examiner's total expenditures from the FY 2002-2003 original budget is $116,082. The net expenditure decrease in the proposed FY 2003-2004 budget is primarily related to:

- $157,639 decrease in permanent salaries (see detailed Personnel Section below);
- $15,276 decrease in holiday pay;
- $12,276 decrease in overtime pay;
- $3,168 decrease in equipment lease/purchase financing; and
- $57,023 increase in other current expenses, which reflects an increase in the cost of body removal services.

DEPARTMENT: CME ADMIN SERVICES – MEDICAL EXAMINER

Personnel: The number of full-time equivalent positions budgeted for FY 2003-04 is 30.90 FTEs, which is 1.98 FTE less than the 32.88 FTEs in the original FY 2002-03 budget. The net decrease of 1.98 FTEs is due to (a) the deletion of two positions being laid off, 2.0 FTE 2598 Medical Transcriber Typist positions, (b) a decrease of 0.31 FTE in Attrition Savings, and (c) and decrease of 0.29 FTE in Temporary Salaries. The proposed budget contains no reclassifications and no new positions.

RECOMMENDATIONS

None.

DEPARTMENT: CFM – ADMIN. SVCS. – CONVENTION FACILITIES MANAGEMENT

FINANCIAL DATA:

The Department of Administrative Services – Convention Facilities Management proposed $56,163,917 budget for FY 2003-2004 is $17,107,732 or 23.3 percent less than the original FY 2001-2002 budget of $73,271,649. The net decrease from the revised FY 2002-2003 budget is $17,107,732 or 23.3 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
MOSCONE EXPANSION PROJECT	$ 25,300,000	$ 25,300,000	$ 2,600,000	$ (22,700,000)
CONVENTION FACILITIES PROGRAM MANAGEMENT	58,681,117	58,681,117	53,563,917	(5,117,200)
Net Expenditures	$ 83,981,117	$ 83,981,117	$ 56,163,917	$ (27,817,200)
Work Order Recoveries	790,532	790,532	-	(790,532)
Transfer Adjustment	(11,500,000)	(11,500,000)	-	11,500,000
Total Expenditures	$ 73,271,649	$ 73,271,649	$ 56,163,917	$ (17,107,732)
Less: Capital and Facilities Maint.	15,000,000	15,000,000	-	(15,000,000)
Total Operating Budget	$ 58,271,649	$ 58,271,649	$ 56,163,917	$ (2,107,732)

DEPARTMENT: CFM – ADMIN. SVCS. – CONVENTION FACILITIES MANAGEMENT

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 3.80 FTEs, which is 0.46 FTE less than the 4.26 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CONVENTION FACILITIES PROGRAM MANAGEMENT	4.26	3.80	(0.46)
Totals	4.26	3.80	(0.46)

DEPARTMENT REVENUES

Department revenues have decreased by $27,517,200 or 32.9 percent and General Fund support has decreased by $300,000 or 100.0 percent, to zero.

DESCRIPTION

In FY 2003-2004, the total Convention Facilities Management proposed budget expenditures of $56,163,917 are $17,107,732 less than the original FY 2002-2003 budget of $73,271,649. Major changes in expenditures include the following:

1. A $22,700,000 reduction in the Moscone Expansion Project due to completion of the Moscone West construction.
2. A $5,117,200 reduction in Convention Facilities Program Management primarily due to a reduction in services of other departments, capital expenses, temporary salaries, and mandatory fringe benefits.
3. A $790,532 reduction in due to a reduction in work order recoveries.
4. In FY 2002-2003 $11,500,000 in funds were transferred out to special funds. For FY 2003-2004 no such transfer is budgeted. However the difference in transferring out $11,500,000 in FY 2002-2003 and zero funds in FY 2003-2004 is effectively an increase of $11,500,000.

Convention Facilities Management previously consisted of three divisions: The Moscone Expansion Project, Convention Facilities Program Management and Building Operations. In Fiscal

DEPARTMENT: CFM – ADMIN. SVCS. – CONVENTION FACILITIES MANAGEMENT

Year 2003-2004 Building Operations was transferred to the Department of Administrative Services budget. For FY 2003-204 the two divisions within Convention Facilities Management are the Moscone Expansion Project and Convention Facilities Program Management.

COMMENT

Convention Facilities Management will not receive any General Fund support in FY 2003-2004.

RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR AMENDMENT OF BUDGET ITEMS
2003-04

epartment: CFM - Admin. Svcs. -- Convetion Facilities Management

age lo.	Object		Position/ Equipment Number	Number From	 To	Amount From	 To	Savings
AD Convention Facilities Management - Conv. Fac. FD-Operating-NonProject								
475	009	Premium Pay Reduce to actual FY 2002-2003 expenditure level . Eleven month expenditures are $7,728.				$18,319	$9,890	$8,429
		Total Recommended Reductions						$ 8,429

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **DPW – DEPARTMENT OF PUBLIC WORKS**

FINANCIAL DATA:

The Department of Public Works proposed $155,918,703 budget for FY 2003-2004 is $2,099,616 or 1.4 percent more than the original FY 2002-2003 budget of $153,819,087. The net increase from the revised FY 2002-2003 budget is $2,096,201 or 1.4 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003		Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
	Original	Revised		
URBAN FORESTRY	$ 5,143,025	$ 5,143,025	$ 4,962,499	$ (180,526)
STREET AND SEWER REPAIR	5,629,667	5,629,667	7,012,486	1,382,819
ENGINEERING	-	-	-	-
CONSTRUCTION MANAGEMENT SERVICES	(1)	(1)	-	1
ARCHITECTURE	1	1	-	(1)
BUILDING REPAIR AND MAINTENANCE	6,679,906	6,679,906	6,091,118	(588,788)
STREET USE MANAGEMENT	4,589,047	4,589,047	4,351,862	(237,185)
CITY CAPITAL PROJECTS	14,215,444	14,215,444	6,049,139	(8,166,305)
STREET ENVIRONMENTAL SERVICES	28,682,354	28,685,769	29,635,279	952,925
ADMINISTRATION	-	-	1,000,000	1,000,000
INTERDEPARTMENTAL WORK ORDERS	-	-	-	-
BUREAU OVERHEAD	-	-	-	-
Net Expenditures	$ 64,939,443	$ 64,942,858	$ 59,102,383	$ (5,837,060)
Work Order Recoveries	89,903,458	89,903,458	97,316,320	7,412,862
Transfer Adjustment	(1,023,814)	(1,023,814)	(500,000)	523,814
Total Expenditures	$ 153,819,087	$ 153,822,502	$ 155,918,703	$ 2,099,616
Less: Capital and Facilities Maint.	15,044,444	15,044,444	6,649,139	(8,395,305)
Total Operating Budget	$ 138,774,643	$ 138,778,058	$ 149,269,564	$ 10,494,921

DEPARTMENT: DPW – DEPARTMENT OF PUBLIC WORKS

DEPARTMENT PERSONNEL SUMMARY:

The Department has budgeted for three layoffs, with further reductions to 'as-needed' staff. The number of full-time equivalent positions budgeted for FY 2003-2004 is 1050.18 FTEs, which is 26.61 FTE less than the 1076.79 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
URBAN FORESTRY	46.19	46.77	0.58
STREET AND SEWER REPAIR	131.35	114.56	(16.79)
ENGINEERING	38.78	35.86	(2.92)
CONSTRUCTION MANAGEMENT SERVICES	27.20	25.56	(1.64)
ARCHITECTURE	21.05	19.18	(1.87)
BUILDING REPAIR AND MAINTENANCE	268.59	273.52	4.93
INTERDEPARTMENTAL WORK ORDERS	0.00	0.00	0.00
STREET USE MANAGEMENT	91.34	90.24	(1.10)
CITY CAPITAL PROJECTS	0.00	0.00	0.00
CONSTRUCTION MANAGEMENT SERVICES	0.00	0.00	0.00
ENGINEERING	0.00	0.00	0.00
INTERDEPARTMENTAL WORK ORDERS	0.00	0.00	0.00
MAPPING	0.00	0.00	0.00
STREET ENVIRONMENTAL SERVICES	310.83	300.70	(10.13)
ADMINISTRATION	110.68	110.71	0.03
INTERDEPARTMENTAL WORK ORDERS	27.78	30.08	2.30
BUREAU OVERHEAD	3.00	3.00	0.00
Totals	1,076.79	1,050.18	(26.61)

DEPARTMENT: DPW – DEPARTMENT OF PUBLIC WORKS

DEPARTMENT REVENUES

Department revenues have decreased by $6,530,206 or 14.1 percent and General Fund support has increased by $693,146 or 3.0 percent.

TECHNICAL ADJUSTMENTS

The Mayor's technical adjustments submitted to the Budget Analyst on June 11, 2003 include the transfer of City Architect functions to the Department of Public Works from the Administrative Services Department. This technical amendment includes a) an of increase of 3.0 FTE, which results in an increase of $282,871; b) an increase of related Mandatory Fringe Benefits of $64,386; c) an increase of $8,000 in other current expenses; d) an increase of $3,000 for materials and supplies; e) a $250,000 increase in buildings, structures and improvements; and, f) a decrease of $605,325 interdepartmental recovery for no net increase to the Department's FY 2003-04 budget.

DESCRIPTION

The proposed DPW budget of net expenditures for FY 2003-04 has decreased by $5,837,060. Major program budget changes include:

1. A $180,526 decrease for the Bureau of Urban Forestry due primarily in buildings, structures and improvements and overhead.

2. A $1,382,819 increase in the Street and Sewer Repair Program due predominantly to costs associated with the Department's new Asphalt Plant.

3. A $588,788 decrease in the Building Repair and Maintenance Program due to primarily to decreases in mandatory fringe benefits and overhead, offset by increases in salaries and interdepartmental recoveries.

4. A $237,185 decrease in the Street Use Management Program due predominantly to a mandatory fringe benefits and overhead, offset by an increase in interdepartmental recoveries.

5. A $8,166,305 decrease in capital projects.

6. A $952,925 increase in the Street Environmental Services Program due to primarily to increases in salary costs and an increase in departmental transfers.

7. A $1,000,000 increase in the Administration Program due to the reimbursement of Federal Emergency Management Agency (FEMA) grant funds relating to San Francisco Police Department labor claims following the 1989 Loma Prieta Earthquake.

DEPARTMENT: DPW – DEPARTMENT OF PUBLIC WORKS

The Architecture Program, Construction Management Services Program, and Construction Inspection remain virtually unchanged.

Department: DPW - Department of Public Works

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
BAA Engineering - DPW Overhead Fund								
546	021	Travel				7,250	6,973	277
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $5,014. Overall, the Department has budgeted $110,135 for Travel.						
546	022	Training				52,349	48,161	4,188
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $24,522. Overall, the Department has budgeted $285,498 for Training.						
547	040	Materials & Supplies Budget Only				303,651	283,139	20,512
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $121,304. Overall, the Department has budgeted $4,644,703 for Materials & Supplies.						
547	060	Equipment Purchase				510,500	481,835	*
		* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

epartment: DPW - Department of Public Works

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
958	06000	Equipment Purchase-Budget		38	38	409,500	380,835	28,665
		Reduce to reflect actual vendor quote of assorted computers. The Department was unable to justify a) $5,000 computer workstations for clerical staff; b) $8,000 computer workstations for professional staff; and c) $9,500 computer workstations for engineering staff.						

AG Construction Management Services - DPW Overhead Fund

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
572	021	Travel				9,005	7,658	1,347
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $5,507. Overall, the Department has budgeted $110,135 for Travel.						
572	022	Training				73,482	43,000	30,482
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $6,769. Overall, the Department has budgeted $285,498 for Training.						
572	024	Membership Fees				2,268	1,453	815
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $1,045. Overall, the Department has budgeted $34,649 for Membership Fees.						

Department: DPW - Department of Public Works

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
573	054	Other Fixed Charges				6,000	923	5,077
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $664.						
BAM Architecture - DPW Overhead Fund								
584	022	Training				48,000	33,000	15,000
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $6,335. Overall, the Department has budgeted $285,498 for Training.						
585	060	Equipment Purchase				350,000	340,013	*
		* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.						
960	06000	Equipment Purchase-Budget		30	30	325,000	315,013	9,987
		Reduce to reflect actual vendor quote of new computers, network printers and other computer equipment.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

epartment: DPW - Department of Public Works

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		AT Street Use Management - DPW Overhead Fund						
565	040	Materials and Supplies Budget Only				134,800	116,800	18,000
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $77,160. Overall, the Department has budgeted $4,644,703 for Materials & Supplies.						
		AZ Street Environmental Services - GF-Non-Project-Controlled						
726	001	Permanent Salaries - Misc.				6,307,321	6,253,727	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
947	001	General Laborer Supervisor I	7215A	22.00	21.00	1,179,067	1,125,473	53,594
		Eliminate 1.00 FTE 7215 General Laborer Supervisor I which has been vacant since June 1995, approximately eight years. With this reduction, Street Environmental Services will still have 48.00 FTE 7215 General Laborer Supervisor I positions, 13 of which are vacant, including six positions vacant since 2001, all of which we are recommending approval.						

Department: DPW - Department of Public Works

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
726	013	Mandatory Fringe Benefits				1,466,346	1,456,163	10,183
		Corresponds to reduction in Permanent Salaries - Misc.						

BKJ Administration - DPW Overhead Fund

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
742	001	Permanent Salaries - Misc.				8,774,387	8,715,651	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
951	001	Engineer - Senior	1043AT	1.00	0.00	101,810	0	101,810
951	001	Administrator II	1022AT	0.00	1.00	0	67,249	(67,249)
		Disapprove this upward TX position. This TX'd position neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget.						
951	001	Personnel Analyst	1241AT	1.00	0.00	68,515	0	68,515
951	001	Personnel Technician	1203AT	0.00	1.00	0	55,992	(55,992)
		Disapprove this upward TX position. This TX'd position neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget.						
951	001	Senior Personnel Analyst	1244AT	1.00	0.00	80,167	0	80,167
951	001	Personnel Analyst	1241AT	0.00	1.00	0	68,515	(68,515)
		Disapprove this upward TX position. This TX'd position neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

epartment: DPW - Department of Public Works

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
742	013	Mandatory Fringe Benefits				5,918,655	5,907,495	11,160
		Corresponds to reduction in Permanent Salaries - Misc.						
742	021	Travel				20,550	11,202	9,348
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $119,439. Overall, the Department has budgeted $110,135 for Travel.						
	022	Training				45,213	19,027	26,186
		Reduce to projected FY 2002-03 expenditure level. Through June 16, 2003, the actual expenditures and encumbrances are $17,608. Overall, the Department has budgeted $285,498 for Training.						
		Total Recommended Reductions						**303,557**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **ETH – ETHICS COMMISSION**

FINANCIAL DATA:

The Ethics Commission's proposed $931,744 budget for FY 2003-2004 is $1,224,551 or 56.8 percent less than the original FY 2002-2003 budget of $2,156,295. The net decrease from the revised FY 2002-2003 budget is the same as the original.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
ETHICS COMMISSION	$ 777,341	$ 777,341	$ 772,450	$ (4,891)
ELECTION CAMPAIGN FUND	1,378,954	1,378,954	159,294	(1,219,660)
Total Expenditures	$ 2,156,295	$ 2,156,295	$ 931,744	$ (1,224,551)

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 10.27 FTEs, which is 2.17 FTEs less than the 12.44 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
ETHICS COMMISSION	7.86	8.04	0.18
ELECTION CAMPAIGN FUND	4.58	2.23	(2.35)
Totals	12.44	10.27	(2.17)

DEPARTMENT: **ETH – ETHICS COMMISSION**

DEPARTMENT REVENUES

Department revenues have decreased by $1,224,551 or 56.8 percent and General Fund support has decreased by $1,264,057 or 62.6 percent. The significant reduction in General Fund revenues is primarily due to the elimination of $1,000,000 which was budgeted in FY 2002-2003 for public campaign financing of candidates for the Board of Supervisors, in accordance with Proposition O, but which is not needed in FY 2003-2004. This large reduction in revenues is partially offset by an additional $40,506 from (a) improved revenue collection efforts, (b) increased lobbyist fees which were approved by the Board of Supervisors in May of 2003 (File 03-0250) and (c) increased late filing fees, which is the subject of a proposed ordinance (File 03-0994), currently pending before the Board of Supervisors.

DESCRIPTION

As reflected above, the reduction in the Ethics Commission's budget, excluding the Election Campaign Fund, is only $4,891, or less than .01 percent. Changes in the proposed FY 2003-2004 budget, excluding the Election Campaign Fund include:

- An increase of $20,874 for salaries;
- A reduction of $19,541 for fringe benefits;
- An overall reduction of $6,224 from non-personal accounts, primarily due to reduction in rent.

The balance of the $1,219,660 reduction is in the Election Campaign Fund, which was created to provide public financing for candidates for the Board of Supervisors in FY 2002-2003, is not needed in FY 2003-2004.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-2004

Department: ETH - Ethics Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2900	001	Permanent Salaries - Misc.				$513,552	$498,358	*
		* The recommended reduction in Permanent Salaries is the total of the following specific recommendations.						
2902	9993M	Attrition Savings		(0.37)	(0.60)	(24,806)	(40,000)	$15,194
		Increase to reflect a conservative estimate of future year salary savings, given that two positions are currently vacant and the actual salary savings in the current fiscal year is projected to be $134,925 or 22.1 percent.						
2902	013	Mandatory Fringe Benefits				100,239	97,352	2,887
		Corresponds to the reduction in salaries.						
2901	040	Materials & Supplies				12,324	8,324	4,000
		Reduce to current year budgeted and expenditure rate, adjusted for cost of living increase.						
		Total Recommended Reductions						**$22,081**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **DSS - HUMAN SERVICES**

FINANCIAL DATA:

The Department of Human Services' proposed $494,512,463 budget for FY 2003-2004 is $10,471,973 or 2.16 percent more than the original FY 2002-2003 budget of $484,040,490. The net increase from the revised FY 2002-2003 budget is $6,269,701 or 1.28 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
CALWORKS	$ 57,833,960	$ 57,552,603	$ 52,971,464	$ (4,862,496)
FOOD STAMPS	11,475,032	11,475,032	11,014,906	(460,126)
CALIFORNIA ADULT ASSISTANCE	62,031,838	61,505,665	60,121,485	(1,910,353)
MEDI - CAL	19,557,505	19,557,505	19,395,203	(162,302)
EMPLOYMENT & TRAINING SERVICE	10,194,755	10,932,452	10,317,470	122,715
FAMILY AND CHILDREN SERVICE	134,636,571	136,327,945	136,524,665	1,888,094
ADULT SERVICES	66,019,854	66,019,854	71,217,760	5,197,906
HOUSING & HOMELESSNESS	27,485,563	30,360,095	38,477,791	10,992,228
ADMINISTRATION	66,510,717	67,775,743	64,733,287	(1,777,430)
REFUGEE RESETTLEMENT	1,279,626	771,236	941,461	(338,165)
CHILDREN'S BASELINE	20,116,177	19,865,740	17,836,092	(2,280,085)
Net Expenditures	$ 477,141,598	$ 482,143,870	$ 483,551,584	$ 6,409,986
Work Order Recoveries	6,898,892	6,098,892	10,960,879	4,061,987
Total Expenditures	$ 484,040,490	$ 488,242,762	$ 494,512,463	$ 10,471,973
Less: Capital and Facilities Maint.	176,000	176,000	176,000	-
Total Operating Budget	$ 483,864,490	$ 488,066,762	$ 494,336,463	$ 10,471,973

DEPARTMENT: **DSS - HUMAN SERVICES**

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs.

The number of full-time equivalent positions budgeted for FY 2003-2004 is 1,603.47 FTEs, which is 7.11 FTEs less than the 1,610.58 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CALWORKS	200.79	196.85	(3.94)
FOOD STAMPS	140.02	135.47	(4.55)
CALIFORNIA ADULT ASSISTANCE	189.00	193.30	4.30
MEDI - CAL	182.41	179.39	(3.02)
EMPLOYMENT & TRAINING SERVICE	63.88	65.30	1.42
FAMILY AND CHILDREN SERVICE	361.06	370.85	9.79
ADULT SERVICES	102.91	101.64	(1.27)
HOUSING & HOMELESSNESS	17.85	16.62	(1.23)
ADMINISTRATION	334.31	325.92	(8.39)
STATE SPECIAL PROJECTS	0.00	0.00	0.00
CHILDREN'S BASELINE	18.35	18.13	(0.22)
Totals	1,610.58	1,603.47	(7.11)

DEPARTMENT: DSS - HUMAN SERVICES

DEPARTMENT REVENUES

Department revenues have increased by $7,328,305 or 2.21 percent and General Fund support has decreased by $918,319 or 0.63 percent.

DESCRIPTION

1. The Department's budget has increased by $10,471,973. This increase is due to the following changes in the Department's budgeted expenditures:

Proposed Budget Increases:

- $2,018,529 for salaries due to (a) $365,099 for the extra day in FY 2003-2004, (b) $915,000 to hire into 15 existing vacant positions to increase Medi-Cal outreach, (c) $247,664 for non-SEIU cost of living adjustments, and (d) $490,766 for hiring into existing vacant positions to staff new initiatives.
- $11,051,844 for City Grant Programs due primarily to the inclusion of Federal Housing and Urban Development grant monies which have previously been budgeted through supplemental appropriations approved during the course of the fiscal year.
- $6,580,844 for the services of other departments due primarily to increased work order recovery from the Department of Public Health for (a) mental health and substance abuse services for CalWorks clients, and (b) an increase in IHSS independent providers' monthly health insurance premiums. In both cases, transferring funds from the Department of Public Health to the Department of Human Services will permit the City to increase State reimbursements.
- $62,847 for other current expenses.

Proposed Budget Decreases:

- $4,857,087 for mandatory fringe benefits.
- $1,921,860 for aid assistance.
- $1,440,219 for aid payments.
- $401,054 for materials and supplies.
- $380,417 for building rents and leases.
- $154,569 for travel, training, employee field expenses, and membership fees.
- $85,201 for building and equipment maintenance.
- $1,684 for capital outlay.

2. Proposition N, the Care Not Cash initiative, is intended to provide homeless recipients of the County Adult Assistant Program (CAAP) with shelter, meals, services, and a $59 per month cash grant in lieu of the current full cash grant of between $320 and $395 per month. In FY 2002-2003, the CAAP

DEPARTMENT: DSS - HUMAN SERVICES

appropriation for homeless CAAP clients totaled $13,904,979. The Mayor's Proposed FY 2003-2004 Budget assumes that this amount of $13,904,979 will be redirected from CAAP payments to the Care Not Cash initiative. However, due to a Superior Court ruling which overturned certain provisions of the Care Not Cash initiative, which the City is appealing, and alternative plans under consideration by the Board of Supervisors, the Department of Human Services has deferred implementation pending direction from the Board of Supervisors and the Court.

Based on testimony presented to the June 16, 2003 Rules Committee meeting, the Department of Human Services estimates that approximately 60 homeless adults per month in FY 2003-2004 will formalize existing housing relationships and, therefore, will not experience reduced cash assistance pursuant to Proposition N. As a result, the Department will experience an increased caseload of approximately 720 housed adults (60 individuals per month for 12 months) who would be required to receive full cash assistance during FY 2003-2004. Cash assistance for these individuals is estimated to cost $1,704,439 in FY 2003-2004, and $3,146,657 annually thereafter. These costs would be in addition to the $13,904,979 "baseline appropriation" established pursuant to Proposition N for cash assistance and support services for homeless adults on cash assistance.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS 2003-2004

SS Human Services

age Io.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
G CalWorks - GF-Non-Project-Controlled								
304	022	Training				29,160	19,360	9,800
		Reduce the Training budget in accordance with the Department's updated needs. The June 19, 2003 total actual and estimated expenditures are $19,360. Overall, the Department has budgeted $669,585 for Training.						
304	040	Materials and Supplies				30,000	1,331	28,669
		Reduce the Materials and Supplies budget in accordance with the Department's updated needs. The 11 month expenditures are $1,213. Overall, the Department has budgeted $2,857,986 for Materials and Supplies.						
H Food Stamps - GF-Non-Project-Controlled								
306	001	Permanent Salaries - Misc.				7,762,296	7,701,013	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
327	001	Senior Social Worker	2912 A	3.00	2.00	183,848	122,565	61,283
		Eliminate a 1.00 FTE Classification 2912 Senior Social Worker position which has been vacant since September of 2000. The Department has a total number of 122.00 FTE Senior Social Worker positions.						
306	013	Mandatory Fringe Benefits				1,605,761	1,594,117	11,644
		Corresponds to reductions in Permanent Salaries - Misc.						

DSS Human Services

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
1806	022	Training				6,441	3,227	3,214
		Reduce the Training budget in accordance with the Department's updated needs. The June 19, 2003 total actual and estimated expenditures are $3,227. Overall, the Department has budgeted $669,585 for Training.						
1806	040	Materials and Supplies				12,500	3,804	8,696
		Reduce the Materials and Supplies budget in accordance with the Department's updated needs. The 11 month expenditures are $3,804. Overall, the Department has budgeted $2,857,986 for Materials and Supplies.						
CAI California Adult Assistance - GF-Non-Project-Controlled								
1807	022	Training				13,500	9,680	3,820
		Reduce the Training budget in accordance with the Department's updated needs. The June 19, 2003 total actual and estimated expenditures are $9,680. Overall, the Department has budgeted $669,585 for Training.						
1807	035	Other Current Expenses				1,500	206	1,294
		Reduce the Other Current Expenses budget in accordance with the Department's updated needs. The 11 month expenditures are $206. Overall, the Department has budgeted $2,058,219 for Other Current Expenses.						
1807	040	Materials and Supplies				20,000	7,782	12,218
		Reduce the Materials and Supplies budget in accordance with the Department's updated needs. The 11 month expenditures are $4,529. Overall, the Department has budgeted $2,857,986 for Materials and Supplies.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

SS Human Services

'age			Position/ Equipment	Number		Amount		
No.	Object		Number	From	To	From	To	Savings
AJ Medi-Cal - GF-Non-Project-Controlled								
809	022	Training				8,500	6,453	2,047
		Reduce the Training budget in accordance with the Department's updated needs. The June 19, 2003 total actual and estimated expenditures are $6,453. Overall, the Department has budgeted $669,585 for Training.						
809	040	Materials and Supplies				26,500	18,815	7,685
		Reduce the Materials and Supplies budget in accordance with the Department's updated needs. The 11 month expenditures are $7,304. Overall, the Department has budgeted $2,857,986 for Materials and Supplies.						
AK Employment & Training Service - GF-Non-Project-Controlled								
810	022	Training				27,000	19,360	7,640
		Reduce the Training budget in accordance with the Department's updated needs. The June 19, 2003 total actual and estimated expenditures are $19,360. Overall, the Department has budgeted $669,585 for Training.						
810	040	Materials and Supplies				21,309	6,160	15,149
		Reduce the Materials and Supplies budget in accordance with the Department's updated needs. The 11 month expenditures are $5,070. Overall, the Department has budgeted $2,857,986 for Materials and Supplies.						

DSS Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
CAL Family and Children Service - GF-Non-Project-Controlled								
1812	022	Training				85,043	61,307	23,736
		Reduce the Training budget in accordance with the Department's updated needs. The June 19, 2003 total actual and estimated expenditures are $61,307. Overall, the Department has budgeted $669,585 for Training.						
1812	040	Materials and Supplies				75,000	42,046	32,954
		Reduce the Materials and Supplies budget in accordance with the Department's updated needs. The 11 month expenditures are $41,844. Overall, the Department has budgeted $2,857,986 for Materials and Supplies.						
CAM Adult Services - GF-Non-Project-Controlled								
1815	001	Permanent Salaries - Misc.				5,829,796	5,710,728	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1836	001	Senior Eligibility Worker	2905 A	11.00	9.00	654,875	535,807	119,068
		Eliminate 2.00 FTE Classification 2905 positions which have been vacant since October of 1999 and February of 2000 respectively. The Department has a total of 398.50 FTE Classification 2905 Senior Eligibility Worker positions.						
1815	013	Mandatory Fringe Benefits				1,218,175	1,195,552	22,623
		Corresponds to reductions in Permanent Salaries - Misc.						

S Human Services

ge o.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
315	022	Training				3,600	3,227	373
		Reduce the Training budget in accordance with the Department's updated needs. The June 19, 2003 total actual and estimated expenditures are $3,227. Overall, the Department has budgeted $669,585 for Training.						
315	040	Materials and Supplies				19,494	2,847	16,647
		Reduce the Materials and Supplies budget in accordance with the Department's updated needs. The 11 month expenditures are $897. Overall, the Department has budgeted $2,857,986 for Materials and Supplies.						

Housing and Homelessness - GF-Non-Project-Controlled

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
316	022	Training				5,814	3,227	2,587
		Reduce the Training budget in accordance with the Department's updated needs. The June 19, 2003 total actual and estimated expenditures are $3,227. Overall, the Department has budgeted $669,585 for Training.						
316	040	Materials and Supplies				3,990	1,157	2,833
		Reduce the Materials and Supplies budget in accordance with the Department's updated needs. The 11 month expenditures are $1,037. Overall, the Department has budgeted $2,857,986 for Materials and Supplies.						

O Administration - GF-Non-Project-Controlled

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
319	001	Permanent Salaries - Misc.				18,898,695	18,473,001	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

DSS Human Services

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
1840	001	Operator-Analyst	1004 A	2.00	1.00	118,471	59,236	59,235
1840	001	Technician - Journey	1012 A	8.00	6.00	440,563	330,422	110,141
1840	001	Technician - Supervisor	1014 A	1.00	0.00	72,021	0	72,021
1840	001	Business Analyst	1052 A	4.00	3.00	296,625	222,469	74,156

Eliminate five positions which were established as new positions in FY 2002-03, but which were kept vacant due to a FY 2002-03 hiring freeze.

In FY 2002-03, the Department budgeted for 9.75 FTE new positions (13.00 FTEs on an annualized basis) for its information technology needs in order to reduce the Department's expenditures on work ordered services from the Department of Telecommunications and Information Services (DTIS). The Department managed to fill 6.00 FTEs of these new positions ahead of the Mayor's mid-year hiring freeze (8.00 FTEs on an annualized basis). Hiring into those positions (at an annualized FY 2002-03 cost of $632,705, inclusive of mandatory fringe benefits) permitted the Department to reduce its DTIS work order costs by $1,172,524 or approximately 23.2 percent, from $5,046,767 in FY 2001-02 to $3,874,243 in FY 2002-03. The Department states that hiring the remaining 5.00 FTEs would permit the Department "to undertake the development and support of services that were previously performed by DTIS." The Budget Analyst notes, however, that:

(a) The staff hired in FY 2002-03 (8.00 FTEs in FY 2003-04) have already achieved the bulk of the projected savings. Whereas they achieved a DTIS work order reduction of $1,172,524 in FY 2002-03 (an average work order saving of $146,566 per person hired), hiring the remaining five vacant positions in FY 2003-04, at an annualized cost of $375,508 (inclusive of mandatory fringe benefits) correlates with a further reduction of only an estimated $167,062 or approximately 4.3 percent, in DTIS work orders, from $3,874,243 in FY 2002-03 to $3,707,181 in FY 2003-04. This represents an average work order saving of only $33,412 per additional person hired.
(b) The Department has managed to perform its information technology functions without filling these positions. The Department will still have a 1.00 FTE Classification 1004 Operator-Analyst position, 6.00 FTE Classification 1012 Technician-Journey positions, and 9.00 FTE Classification 1052 Business Analyst positions.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

SS Human Services

			Position/ Equipment	Number		Amount		
age No.	Object		Number	From	To	From	To	Savings
342	001	Supervising Auditor	1686 A	1.00	0.00	87,522	0	87,522
		Eliminate this position which has been vacant since March of 1999. The 13-member Contracts Unit, where this position was located, performs the Department's auditing function.						
343	001	Chief Deputy Director, Human Services	2953 A	1.00	(1.00)	142,856	0	142,856
343	001	Manager V	0933 N	0.00	1.00	0	120,237	(120,237)
		The vacant Classification 2953, Chief Deputy Director, Human Services position, which has a maximum salary of $142,856, is currently TX'd downward to fund a Classification 0933 Manager V, "Chief of Staff" position, with a maximum FY 2003-04 salary of $120,237. This recommendation would permanently eliminate the Chief Deputy Director, Human Services position, replacing it with a new Manager V position, at a salary savings of $22,619 for FY 2003-04.						
819	013	Mandatory Fringe Benefits				6,874,661	6,793,779	80,882
		Corresponds to reductions in Permanent Salaries - Misc.						
819	022	Training				292,527	206,508	86,019
		Reduce the Training budget in accordance with the Department's updated needs. The June 19, 2003 total actual and estimated expenditures are $206,508. Overall, the Department has budgeted $669,585 for Training.						
819	027	Professional & Specialized Services				4,238,115	4,197,618	40,497
		Reduce the Professional and Specialized Services budget by $40,497, in accordance with the Department's 0.34 percent under-expenditure of its baseline combined 027 Professional and Specialized Services and 038 City Grants Program total budget in FY 2002-03.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DSS Human Services

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1819	031	Rents & Leases - Equipment				24,000	15,140	8,86
		Reduce the Rents and Leases - Equipment budget in accordance with the Department's updated needs. The 11 month expenditures and encumbrances are $15,140.						
1819	035	Other Current Expenses				1,995,738	1,769,284	226,45
		Reduce the Other Current Expenses budget in accordance with the Department's updated needs. Total expenditures, encumbrances,and estimated outstanding invoices at June 19, 2003 are $1,769,284. Overall, the Department has budgeted $2,857,986 for Other Current Expenses.						
		Total Recommended Reductions						**$1,262**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **ADP – ADULT PROBATION**

FINANCIAL DATA:

The Adult Probation proposed $9,820,452 budget for FY 2003-2004 is $307,284 or 3 percent less than the original FY 2002-2003 budget of $10,127,736. The net decrease from the revised FY 2002-2003 budget is $361,612 or 3.6 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
COMMUNITY SERVICES	$ 5,088,077	$ 5,142,405	$ 5,634,270	$ 546,193
PRE-SENTENCING INVESTIGATION	2,572,201	2,572,201	1,909,990	(662,211)
ADMINISTRATION	1,909,708	1,909,708	1,503,115	(406,593)
Net Expenditures	$ 9,569,986	$ 9,624,314	$ 9,047,375	$ (522,611)
Work Order Recoveries	557,750	557,750	773,077	215.327
Total Expenditures	$ 10,127,736	$ 10,182,064	$ 9,820,452	$ (307,284)

DEPARTMENT: ADP – ADULT PROBATION

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-2004 is 114.16 FTEs, which is 10.69 FTE less than the 124.85 FTEs in the original FY 2002-2003 budget. The Department has deleted four position, including 1.0 FTE 1408 Principal Clerk, 1.0 FTE Clerk Typist, and 2.0 FTE Transcriber Typist, resulting in the layoff of four employees, effective June 30, 2003. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
COMMUNITY SERVICES	69.83	71.91	2.08
PRE-SENTENCING INVESTIGATION	31.04	22.23	(8.81)
ADMINISTRATION	23.98	20.02	(3.96)
Totals	124.85	114.16	(10.69)

DEPARTMENT REVENUES

Department revenues have decreased by $19,400 or 2.1 percent and General Fund support has decreased by $503,211 or 5.8 percent.

DESCRIPTION

Adult Probation FY 2003-2004 expenditures have decreased by $307,284 from the original FY 2002-2003 budget. The primary expenditure decreases have resulted from:

- $614,050 in reduced salary and fringe benefit expenditures due to the deletion of four clerical positions and an increase in the attrition savings rate from 6 percent of salaries in FY 2002-2003 to 16 percent of salaries in FY 2003-2004;
- $68,114 net decrease in other expenditures, such as materials and supplies, equipment, and professional services contracts;

DEPARTMENT: ADP – ADULT PROBATION

- $392,780 net increase in work orders, due to an increase in the Department of Telecommunications and Information Services (DTIS) work order for the Court Management System. In FY 2002-2003, Court Management System costs were included in the DTIS budget. In FY 2003-2004, DTIS has re-allocated the Court Management System costs to five departments: Sheriff, Police, Adult Probation, District Attorney and Public Defender.

Department: Adult Probation

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
Program: AKB Community Services								
7	001	Permanent Salaries - Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				$3,842,415	$3,842,415	*
13		Division Director, Adult Probation Delete 1.0 FTE 8435 Division Director, Adult Probation, which has been vacant since April of 2002. The Community Services Division of the Adult Probation Department will continue to have 1.0 FTE 8435 Division Director, 8.5 FTE 8434 Supervising Adult Probation Officer, and 62.0 Deputy Probation Officers.	8435	2.0	1.0	168,031	84,016	84,015
13		Attrition Savings Decrease attrition savings by $84,015 to offset the deletion of 1.0 FTE 8435 Division Director, Adult Probation.				(116,710)	(32,695)	(84,015

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

epartment: Adult Probation

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
ogram: AKB Community Services General Fund Work Order Fund								
	005	Temporary Salaries				94,207	0	94,207
		The Department includes funds under "Temporary Salaries" to pay for Deputy Probation Officers to provide services under the Proposition 36 program, which is a State-funded drug treatment program. The Department has also included 8.25 FTEs in this program in FY 2003-2004, which is 2.25 FTEs more than the 6.00 FTEs included in the FY 2002-2003 budget. Because the staff providing Proposition 36 services are permanent staff and not temporary staff, the Department has not expended any Temporary Salaries monies in FY 2002-2003.						
		Total Recommended Reductions						$94,207

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **WOM – COMMISSION ON THE STATUS OF WOMEN**

FINANCIAL DATA:

The Commission on the Status of Women proposed $2,462,353 budget for FY 2003-2004 is $369,552 or 13 percent less than the original FY 2002-2003 budget of $2,831,905. The net decrease from the revised FY 2002-2003 budget is $511,006 or 17 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
COMMISSION ON STATUS OF WOMEN	$ 2,183,595	$ 2,448,090	$ 1,955,512	$ (228,083)
DOMESTIC VIOLENCE	184,000	333,990	184,000	-
CHILDREN'S BASELINE	273,031	-	194,781	(78,250)
Net Expenditures	$ 2,640,626	$ 2,782,080	$ 2,334,293	$ (306,333)
Work Order Recoveries	207,279	207,279	144,060	(63,219)
Transfer Adjustment	(16,000)	(16,000)	(16,000)	-
Total Expenditures	$ 2,831,905	$ 2,973,359	$ 2,462,353	$ (369,552)

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 6.47 FTEs, which is 1.29 FTEs less than the 7.76 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
COMMISSION ON STATUS OF WOMEN	7.76	6.47	(1.29)
Totals	7.76	6.47	(1.29)

DEPARTMENT: WOM – COMMISSION ON THE STATUS OF WOMEN

DEPARTMENT REVENUES

Grant revenues have decreased by $149,990 due to the completion of the Federal Violence Against Women grant and General Fund support has decreased by $306,333 or 12.6 percent.

DESCRIPTION

The net decrease in the Commission on the Status of Women's net expenditures from the FY 2002-2003 original budget is $369,552. These reductions are related to the following:

- $420,002 decrease in City Grant Programs for funding of domestic violence shelters, victim services and various other programs. Of this $420,002 reduction, $283,757 funds contracts with non-profit organizations for violence against women;
- $89,804 reduction in Permanent Salaries – Misc. due to the deletion of one vacant FTE position and the reassignment of .5 FTE;
- $30,193 decrease in Mandatory Fringe Benefits;
- $63,047 increase in Services of Other Departments for accounting services from Administrative Services;
- $1,200 decrease in Travel and Training expenditures;
- $500 decrease in Other Current expenditures; and,
- $9,926 decrease in Materials and Supplies.

On June 9, 2003, the Budget Committee directed the Controller to restore $297,797 to offset the reduction proposed by the Mayor's Office for the grants with non-profit organizations who provide violence against women services. However, according to Ms. Rosario Navarrette of the Commission on the Status of Women, to restore such services would require an increase of $283,757 in the City Grant Programs, or $14,050 less than the Budget Committee recommended be restored. Ms. Navarrette states that, if the entire $297,797 is provided, the Commission on the Status of Women would use the additional $14,050 for an evaluation of violence against women programs. The Budget Analyst notes that this evaluation would be a new service, not a restoration of previously existing services. The Budget Analyst therefore recommends reducing the restoration from $297,797 to $283,757 and that the additional $14,050 be returned to the City's General Fund.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2002-03

Department: WOM - Commission on the Status of Women

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
General Fund Non-Project Controlled								
1922	081	Services of Other Departments To reflect the actual costs of accounting services to be provided by Administrative Services to the Status of Women.				$ 124,929	$ 122,152	$ 2,77
1922	038	City Grant Programs Reduce to reflect a decrease of $14,050 to the $297,797 restoration by the Budget Committee, for a total of $1,455,035 for the City Grant Programs, which is the same amount budgeted in FY 2002-2003 for violence against women non profit provided services, in accordance with the direction of the Budget Committee.				$ 1,469,085	$ 1,455,035	$ 14,05
		Total Recommended Reductions						$ 16,82

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: ECD – EMERGENCY COMMUNICATIONS DEPARTMENT

FINANCIAL DATA:

The Emergency Communications Department's proposed $35,150,196 budget for FY 2003-2004 is $279,654 or 0.79 percent less than the original FY 2002-2003 budget of $35,429,850. The net decrease from the revised FY 2002-2003 budget is also $279,654 or 0.79 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
CITYWIDE RADIO SYSTEM	$ 31,100	$ 31,100	$ 42,000	$ 10,900
EMERGENCY COMMUNICATIONS	26,249,563	26,249,563	25,268,442	(981,121)
EMERGENCY SERVICES COORDINATION	-	-	725,569	725,569
FALSE ALARM PREVENTION	197,514	197,514	413,812	216,298
911 PROJECT	15,670,200	15,670,200	22,108,000	6,437,800
Net Expenditures	$ 42,148,377	$ 42,148,377	$ 48,557,823	$ 6,409,446
Work Order Recoveries	111,290	111,290	111,290	-
Transfer Adjustment	(6,829,817)	(6,829,817)	(13,518,917)	(6,689,100)
Total Expenditures	$ 35,429,850	$ 35,429,850	$ 35,150,196	$ (279,654)
Less: Capital and Facilities Maint.	201,300	201,300	-	(201,300)
Total Operating Budget	$ 35,228,550	$ 35,228,550	$ 35,150,196	$ (78,354)

DEPARTMENT: **ECD – EMERGENCY COMMUNICATIONS DEPARTMENT**

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs for FY 2003-2004. The number of full-time equivalent positions budgeted for FY 2003-2004 is 186.61 FTEs, which is 5.53 FTEs more than the 181.08 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
EMERGENCY COMMUNICATIONS	181.08	179.89	(1.19)
EMERGENCY SERVICES COORDINATION	0.00	5.72	5.72
FALSE ALARM PREVENTION	0.00	1.00	1.00
Totals	181.08	186.61	5.53

The increase in personnel of 5.53 FTE is due to the transfer of six Special Assistant positions to the Emergency Communications Department from the Mayor's Office of Emergency Services Coordination, which is offset by adjustments totaling 0.47 FTE for Attrition Savings and Temporary Salaries.

DEPARTMENT REVENUES

Department revenues have increased by $12,525,281 or 51.59 percent and General Fund support has decreased by $6,115,835 or 34.23 percent.

DESCRIPTION

The Emergency Communications Department's proposed $35,150,196 budget for FY 2003-2004 is $279,654 less than the original FY 2002-2003 budget of $35,429,850. Major changes in the Department's budget include the transfer of the Mayor's Office of Emergency Services Coordination to the Emergency Communications Department, resulting in a total increase of $725,569, including the above-mentioned addition of six Special Assistant positions to the Emergency Communications Department. The increased expenditures for the transfer of Emergency Services Coordination are included in the following discussion of other major changes to the Department's budget.

The Department is reducing the civilianization plan for dispatchers for FY 2003-2004 from three training classes and a total of 60 new dispatcher recruits budgeted in FY 2002-2003 to two training classes and a total of 40 new dispatcher recruits in FY 2003-2004. The recruitment of civilian dispatchers would result in the release of Firefighters from the Fire Department currently working as dispatchers back to duty in the Fire Department.

The Department's FY 2003-2004 proposed budget includes an increase of $379,153 in salaries and fringe benefits which is mainly due to the transfer of the Emergency Service Coordination Office to the Department's budget, various step increases and annualized MOU-related increases, which are offset by a decrease in Overtime and an overall decrease to fringe benefits. Services of Other Departments is increasing by $1,243,406. The increases for Permanent Salaries, Fringe Benefits and Services of Other Departments are offset by expenditure reductions totaling $1.9 million in (a) Maintenance Services-Equipment, (b) Equipment Purchase and (c) Buildings, Structures and Improvements.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: ECD

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
BIR								
1176	081	Services of Other Departments				$8,080,651	$8,029,303	$51,348
		Reduce the Emergency Communications work order with the Sheriff by $51,348, based on the Sheriff's report that only $3,000 of the requested workorder amount of $54,348 is needed for the work to be performed by the Sheriff.						
BIV								
1179	001	Permanent Salaries-Misc.				445,907	414,415	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1186	001	Attrition Savings - Misc.	9993M	(0.3)	(0.8)	(18,508)	(50,000)	31,492
		Increase Attrition Savings to reflect an actual projected surplus of $49,983 in Permanent Salaries for the Emergency Services Coordination program in the current year.						
1179	013	Mandatory Fringe Benefits				77,500	71,517	5,983
		Corresponds to the reduction in Permanent Salaries.						
1179	035	Other Current Expenses				34,000	28,000	6,000
		Reduce to actual FY 2002-03 expenditure level, adjusted for cost of living factor. Overall, the Department has budgeted $223,747 for Other Current Expenses.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

epartment: **ECD**

			Position/ Equipment	Number		Amount		
age No.	**Object**		**Number**	**From**	**To**	**From**	**To**	**Savings**
IW								
.180	040	Materials & Supplies				$13,160	$3,160	$10,000
		Reduce Materials & Supplies for the False Alarm Prevention Program to reflect adequate expenditure amounts. The Department has spent none of the $3,160 in funds budgeted for Materials & Supplies for the False Alarm Prevention Program for the current year, although the Department filled a 0922 Manager II position for the False Alarm Prevention Program in December of 2002. The recommended reduction would allow $3,160 for a full year of the False Alarm Prevention Program. The Department has provided no specific expenditure details and no justification for the proposed increase of $10,000 for Materials & Supplies for the False Alarm Prevention Program. Overall, the Department has budgeted $35,710 for Materials & Supplies.						
.180	081	Services of Other Departments				302,378	262,336	40,042
		Reduce Services of Other Departments for the False Alarm Prevention Program to reflect the recommended denial of one new 1360 Account Clerk in the Treasurer/Tax Collector's budget. As of the writing of this report, the False Alarm Prevention Program has collected $54,260 from owners of building alarm systems for the Emergency Communications Department for the period from July 1, 2002 through June 11, 2003. The actual collections to date of $54,260, do not justify three full-time collections positions at an annual salary cost of $147,690 plus estimated fringes of $28,061 and an additional new 1630 Account Clerk, budgeted at 0.75 FTE, or an additional salary and fringe benefit cost of $40,042. The Budget Analyst recommends denying the new 1630 Account Clerk (0.75 FTE) for the False Alarm Prevention Program. Overall, the Emergency Communications Department has budgeted $413,812 for the False Alarm Prevention Program, which is $216,298 or 109.5 percent more than the $197,514 budgeted for the program in FY 2002-2003.						
		Total Recommended Reductions						**$144,865**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-2004

Department: **ECD**

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Policy Recommendations								
BIW								
1180	001	Permanent Salaries-Misc.				$83,164	$0	*
		* The following reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications and is a policy decision for the Board of Supervisors.						
1187	001	Manager II	0922	1.0	0.0	89,710	0	$89,710
1187	001	Step Adjustments, Misc.	STEPM			(6,863)	0	(6,863)
1187	001	Special Salary Savings	9991M			317	0	317
		Delete 1.0 FTE 0922 Manager II position, which was TXed by the Department in FY 2002-2003. The Department filled the position in December of 2002. The Department has not provided adequate justification for a full time 0922 Manager II for the False Alarm Prevention Program with an annual top step salary of $89,710 and a budgeted salary of $83,164. The Department's False Alarm Prevention Program, which was established in FY 2002-2003 to license alarm systems and charge fees for false alarms and has no other staff, does not necessitate a high level managerial position. The Department's budget contains a $302,378 work order to the Treasurer/Tax Collector to pay for three full-time positions to collect revenues for the False Alarm License and Penalty Fees. The Department presently has 2.00 0922 Manager II positions. We would normally recommend disapproval of this position, but because this position is filled, we consider deletion of this position to be a policy matter for the Board of Supervisors.						
1180	013	Mandatory Fringe Benefits				15,110	0	15,110
		Corresponds to the reduction in Permanent Salaries - Misc.						
		Potential Savings						**$98,274**

Item 12 - File 03-0981

Department: Emergency Communications Department (ECD)

Item: Ordinance amending Article 10A of the Business and Tax Regulations Code by amending Sections 753 and 755 to increase the per-line Emergency Response Fee imposed on telephone subscribers, as well as the maximum total fee that may be imposed on a subscriber.

Description: The Emergency Response Fee is imposed on all eligible[1] San Francisco telephone service subscribers to pay for emergency communication services, including single access line, trunk line and high capacity trunk line telephone subscribers, through bills from telephone companies. Trunk lines and high capacity trunk lines are types of lines allowing multiple users access to local telephone service and therefore access to emergency communication services.

The proposed ordinance would amend the Business and Tax Regulations Code relating to the Emergency Response Fee assessed on commercial and residential telephone service subscribers by increasing the Emergency Response Fees for telephone subscribers who use standard access lines, trunk lines and high capacity trunk lines, commencing on November 1, 2003. The proposed ordinance provides that: (a) the fee for each eligible standard telephone access line would increase by $0.50 from $1.25 to $1.75 per month, or by 40 percent; (b) the fee for each eligible trunk line would increase by $3.75 from $9.38 to $13.13 per month, or by 40 percent; and (c) the fee for each high capacity trunk line would increase by $67.50 from $168.75 to $236.25 per month, or by 40 percent.

Comments: 1. Emergency Response Fees were last increased by the Board of Supervisors in July of 2002 from $1.00 per standard telephone access line to $1.25 per standard telephone access line, $7.50 per trunk line to $9.38 per trunk line per month and from $135 per high capacity trunk line per month to $168.75 per high capacity trunk line per month (File 02-1185).

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[1] The Emergency Response Fee is not imposed on "exempt" telephone subscribers. "Exempt" subscribers include non-profit hospitals and educational organizations, lifeline customers, governmental agencies, the City, and coin-operated telephones.

2. The ECD's proposed FY 2003-2004 budget includes estimated Emergency Response Fee revenues of $22,150,000 for FY 2003-2004, based on the proposed fee levels, or an increase of $6,650,000 over the FY 2002-2003 budgeted fees of $15,500,000.

3. Mr. David Greenburg of the City Attorney's Office reports that the City can only collect fees equal to the costs for providing emergency communication services for the telephone subscribers who pay the fee. Therefore, the City's General Fund must cover the costs for emergency communication services for telephone users who are exempt from paying the Fee such as governmental agencies. Mr. Joe Matranga of the Controller's Office reports that exempt users account for an estimated 17.7 percent of the telephone lines throughout San Francisco, which means the City's General Fund must provide at least 17.7 percent of the City's costs to provide emergency communications services. Mr. Michael Young of the Mayor's Office reports that the City's total estimated costs to provide emergency communications services for FY 2003-2004 is approximately $36,200,000.

4. As noted above, the total estimated costs to provide emergency communications services for FY 2003-2004 is approximately $36,200,000. Of that amount, if this ordinance is approved, the General Fund would pay for an estimated $14,050,000 or 38.8 percent of such costs and the Emergency Response Fees would pay for an estimated $22,150,000 or 61.2 percent of the total FY 2003-2004 emergency communication services costs, based on an effective start date of November 1, 2003 for the proposed fee increases.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **GEN – GENERAL CITY RESPONSIBILITY**

FINANCIAL DATA:

The General City Responsibility proposed $291,246,110 budget for FY 2003-2004 is $27,272,747 or 8.6 percent less than the original FY 2002-2003 budget of $318,518,857. The net decrease from the revised FY 2002-2003 budget is $22,963,989 or 7.3 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
GENERAL CITY RESPONSIBILITIES	$ 616,335,797	$ 612,027,039	$ 563,189,999	$ (53,145,798)
Transfer Adjustments	(301,643,472)	(301,643,472)	(274,566,485)	27,076,987
Net Expenditures	$ 314,692,325	$ 310,383,567	$ 288,623,514	$ (26,068,811)
Expenditure Recoveries	3,826,532	3,826,532	2,622,596	(1,203,936)
Total Expenditures	$ 318,518,857	$ 314,210,099	$ 291,246,110	$ (27,272,747)

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 3.00 FTEs, which is 0.75 FTE less than the 3.75 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
GENERAL CITY RESPONSIBILITIES	3.75	3.00	(0.75)
Totals	3.75	3.00	(0.75)

The change in FTE is due to the elimination of a new 0.75 Project Director position that was added in the FY 2002-2003 budget to manage the Computer Store project. This position was never filled and has been eliminated from the FY 2003-2004 recommended budget.

Department: **(continued)**

DEPARTMENT REVENUES

Department revenues have decreased by $3,593,124 or 2.7 percent and General Fund support has decreased by $23,679,623 or 12.9percent.

DESCRIPTION

1. The General City Responsibility budget is comprised of general responsibilities not covered by other City departments, including General Fund supported debt service and General Fund contributions to subsidized enterprise funds such as San Francisco General Hospital and Laguna Honda Hospital.

2. The primary changes in General City Responsibility expenditures, which have decreased by $27,272,747 from the Original Fiscal Year 2002-03 budget, are as follows:

$9.15 million	Increase in Retiree Health Subsidy
($8.65) million	Decrease in payment for the City's portion of Peninsula Joint Powers Authority for the City's membership
($9.75) million	Decreased Other Current Expenditures and Services of other Departments
($19.65) million	Decreased General Fund reserves.(see explanation below).
1.63	Net increase for all other items.
($27.27) million	Total Net Decrease

3. The General City Responsibility Budget also funds staff costs for 3.0 FTE Committee on Information Technology (COIT) administrative support positions. The FY 2002-03 budget included funding from administrative fees for a new 0.75 Project Director position related to a new Computer Store contract for acquisition of information technology equipment by City departments. As noted above, this position was never filled and has been eliminated from the proposed FY 2003-2004 budget.

4. Total decreased General Fund reserves of $19,650,549 for FY 2003-2004 compared to FY 2002-2003 are summarized in the following table:

Department: **(continued)**

GENERAL FUND RESERVE	FY 2002-2003	RECOMMENDED FY 2003-2004	INCREASE (DECREASE)
Reserve for Potential Audit Adjustments	$ 4,500,000	-	($ 4,500,000)
General Reserve	27,099,804	25,000,000	(2,099,804)
Reserve for Litigation	5,517,358	-	(5,517,358)
Salaries and Benefits	-	12,466,613	12,466,613
State Revenue Stabilization Reserve	20,000,000	-	(20,000,000)
	$ 57,117,162	$ 37,466,613	($19,650,549)

According to the Controller, the Reserve for Potential Audit Adjustments of $4,500,000 was eliminated because it is now budgeted as an expenditure in the General City Responsibility budget. Also, the Controller establishes a Litigation Reserve which is a designated reserve of the General Fund – Fund Balance as shown in the Consolidated Annual Financial Report. Typically, the reserve is increased each year from the City's operating budget. For FY 2003-2004, because the current designated reserve balance is considered adequate, the Controller is budgeting no funds in FY 2003-2004 for the Reserve for Litigation, which was budgeted at $5,517,358 in FY 2002-2003.

The FY 2002-2003 budget included a General Reserve of $27,099,804 and a State Revenue Stabilization Reserve of $20,000,000 as a safeguard against potential State budget cuts in FY 2002-2003. These reserves, which totaled $47,099,804 have been reduced by $22,099,804 to the $25,000,000 General Reserve shown above for FY 2003-2004.

5. The General City Responsibility Budget includes funding from equipment lease financing proceeds for the purchase of equipment for General Fund Departments in the total amount of $7,926,641 with lease financing bond proceeds. The Police Department's proposed budget includes the General Fund cash purchase of 8 marked police vehicles and 6 unmarked police vehicles at a total cost of $478,000 for a total of 14 police vehicles, at an average cost of $34,143 per vehicle ($39,500 for each marked police vehicles and $27,000 for each unmarked police vehicle). In addition, the proposed budget assumes a lease financing purchase of 35 additional Police vehicles at a purchase price of $1,055,000, which is a portion of the $7,926,641 in total equipment to be purchased using lease financing bond proceeds. The Budget Analyst recommends that 2 marked police vehicles and 6 unmarked police vehicles can be safely transferred to lease financing and adequate security will be provided through the remaining vehicles acquired through cash purchases, at a FY 2003-2004 savings of $241,000.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: GEN - General City Responsibility

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
3083	80111	Proceeds from Sale of Bonds Increase revenue from Equipment Lease Revenue Bond proceeds to permit purchase of additional Police Vehicles with lease financing instead of cash purchase.				$9,645,000	$9,886,000	$241,000
3088	060	Equipment Purchase * The recommended reduction in equipment is the total of the following specific recommendations.				7,926,652	8,246,652	*
3088	060	Equipment Lease Revenue Equipment Purchase Budget				7,527,297	7,768,297	(241,000

The Police Department's proposed budget includes the General Fund cash purchase of 8 marked police vehicles and 6 unmarked police vehicles at a total cost of $478,000 for a total of 14 police vehicles, at an average cost of $34,143 per vehicle. In addition, the proposed budget assumes a lease financing purchase of 35 additional Police vehicles at a purchase price of $1,055,000. When lease purchasing Police vehicles, the City generally also purchases Police vehicles through cash purchases in order to provide security for the vehicles acquired through lease financing in the event of destruction by accident of the lease purchased vehicles. The Budget Analyst has reviewed the incidence of Police vehicle destruction in the past four years and determined that 2 marked police vehicles and 6 unmarked police vehicles can be safely transferred to lease financing and adequate security will be provided through the remaining vehicles acquired through cash purchases, at a FY 2003-2004 savings of $241,000 in the Police Department budget.

Total Recommended Reductions

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: USD – COUNTY EDUCATION OFFICE

FINANCIAL DATA:

The County Education Office' proposed $68,296 budget for FY 2003-2004 is $672 or 0.99 percent more than the original FY 2002-2003 budget of $67,624. The net increase from the revised FY 2002-2003 budget is also $672 or 0.99 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Increase (Decrease) 2002-2003 Original Budget
COUNTY EDUCATION SERVICES	$ 67,624	$ 67,624	$ 68,296	$ 672
Total Expenditures	$ 67,624	$ 67,624	$ 68,296	$ 672

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-2004 is 1.00 FTE, which is the same as the 1.00 FTE in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
COUNTY EDUCATION SERVICES	1.00	1.00	0.00
Totals	1.00	1.00	0.00

DEPARTMENT: USD – COUNTY EDUCATION OFFICE

DEPARTMENT REVENUES

General Fund support has increased by $672 or 0.99 percent.

DESCRIPTION

In FY 2002-2003 City General Fund monies provided to the County Education Office for arts, sports and music programs for elementary and secondary school students were appropriated to the Department of Children, Youth and Their Families (DCYF) to be paid to the San Francisco Unified School District (SFUSD) on a reimbursement basis. For FY 2003-2004, a total of $4,002,216 has been appropriated to the new Public Education Special Fund (Ordinance No. 88-03), which is the same amount as was allocated to the SFUSD in FY 2002-2003.

In accordance with the City Charter and the State Education Code, the City and County government is required to compensate members of the Board of Education and pay a portion of the County Superintendent's salary. Accordingly, the County Education's FY 2002-03 budget includes this $68,296, allocated as follows:

- $42,000 for the seven members of the Board of Education ($500 per member per month); and
- $26,296 of the Superintendent's salary and fringe benefit costs.

RECOMMENDATIONS

None

City and County of San Francisco
Meeting Minutes
Budget Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma and Matt Gonzalez

Clerk: Victor Young

Thursday, June 26, 2003 **9:30 AM** **Legislative Chamber, Second Floor**

Rescheduled Meeting

Members Present: Chris Daly, Aaron Peskin, Fiona Ma, Matt Gonzalez.

Members Absent: Sophie Maxwell.

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Meeting Convened

The meeting convened at 9:40 a.m.

REGULAR AGENDA

030786 **[Annual Budget, Fiscal Year 2003-04]**

Mayor

Hearing to consider the Mayor's proposed 2003-04 budget for the City and County of San Francisco. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers. Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR.

6/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau, Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office

6/25/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Lois Renne; Mr. Miller; Rachael Annison; Denise McCarthey; Lin Jackovich; male speaker; Rebeca Silverberg; Sedina Baldwin; David Drell; Sandy Tong; Brian Hennen; Ms. Nuso; Meloney Allen; Jean Nickleson; Cladia Jason; David Anderson; male speaker; Steve Marki; Sara Bin; Beverly Upton; Mathew McDolton; Melisa Say; Diana Lum; Alisa VanNort; Mary Harris; female speaker; Michael Fredon; Jim Corigan; Alma Robison; Juiles Roy; Shawka Diek; Peter Green; Mike Greg; Carl Warren; Mike Gonzalez; James Green; Frank Kelly, Local 798; Tony Sacco; Debra Rebel, Local 21; Chris Amaro; Joe Wilson, Coleman Advocates; Carmen Lewis; Marshall Philips; Sara Loreson; John Darmin; Fay Row; Barbara Blong; Dilbert Scott; John Hanley; Scott Peoples; male speaker; David Johnson; Mike Delane; Robert Blane; Brett Everett; Paul Conroy.

Heard in Committee. Speaker: Hariett Syskin; Ann Ahern; Ntanya Lee; Chirs Omaro; Alexis Parris; Gail Silba; Dr. Vila; Rena Sasolta; Lida Chow; Pierce McKinsy; Patricia Reed; Leslie Will; Barbara Lopez; Steve Cockral; Barbara Blong; Delbert Scott; Kathleen Kopp; Al Fernandez; female speaker; Edwin Zane; female speaker; Ms. Savijenti; Cynthia Petigori; Marilyn Anene; male speaker; female speaker (translated); female speaker(trnslated); female speaker(trnslated); Eng Ru; Lois Scott; Ed Harrington, Controller; Jim Ellie; Ms. VanDam; Valerie Etkins; Emilo Valmo; Martha Collin; Michael Lyon; Ed Pelao; Timothy Bradley; Ed Kinchley, Local 790; Van; Heather Hotchkins; Brother Jefferson; male speaker; Jenifer Friedenbach; Jackie Jenks; Judy Burkowich; Betty Finkel; Ed Harrington, Controller; Harvey Rose, Budget Analyst.

Meeting recessed to June 27, 2003, at 10:15 a.m.

MEETING RECESSED.

030787 **[Government Funding, Fiscal Year 2003-04]**

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR.

6/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

6/25/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Lois Renne; Mr. Miller; Rachael Annison; Denise McCarthey; Lin Jackovich; male speaker; Rebeca Silverberg; Sedina Baldwin; David Drell; Sandy Tong; Brian Hennen; Ms. Nuso; Meloney Allen; Jean Nickleson; Cladia Jason; David Anderson; male speaker; Steve Marki; Sara Bin; Beverly Upton; Mathew McDolton; Melisa Say; Diana Lum; Alisa VanNort; Mary Harris; female speaker; Michael Fredon; Jim Corigan; Alma Robison; Juiles Roy; Shawka Diek; Peter Green; Mike Greg; Carl Warren; Mike Gonzalez; James Green; Frank Kelly, Local 798; Tony Sacco; Debra Rebel, Local 21; Chris Amaro; Joe Wilson, Coleman Advocates; Carmen Lewis; Marshall Philips; Sara Loreson; John Darmin; Fay Row; Barbara Blong; Dilbert Scott; John Hanley; Scott Peoples; male speaker; David Johnson; Mike Delane; Robert Blane; Brett Everett; Paul Conroy.

Heard in Committee. Speaker: Hariett Syskin; Ann Ahern; Ntanya Lee; Chirs Omaro; Alexis Parris; Gail Silba; Dr. Vila; Rena Sasolta; Lida Chow; Pierce McKinsy; Patricia Reed; Leslie Will; Barbara Lopez; Steve Cockral; Barbara Blong; Delbert Scott; Kathleen Kopp; Al Fernandez; female speaker; Edwin Zane; female speaker; Ms. Savijenti; Cynthia Petigori; Marilyn Anene; male speaker; female speaker (translated); female speaker(trnslated); female speaker(trnslated); Eng Ru; Lois Scott; Ed Harrington, Controller; Jim Ellie; Ms. VanDam; Valerie Etkins; Emilo Valmo; Martha Collin; Michael Lyon; Ed Pelao; Timothy Bradley; Ed Kinchley, Local 790; Van; Heather Hotchkins; Brother Jefferson; male speaker; Jenifer Friedenbach; Jackie Jenks; Judy Burkowich; Betty Finkel; Ed Harrington, Controller; Harvey Rose, Budget Analyst.

Meeting recessed to June 27, 2003, at 10:15 a.m.
MEETING RECESSED.

030788 **[Public Employment, Fiscal Year 2003-04]**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2004, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR.

6/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

6/25/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Lois Renne; Mr. Miller; Rachael Annison; Denise McCarthey; Lin Jackovich; male speaker; Rebeca Silverberg; Sedina Baldwin; David Drell; Sandy Tong; Brian Hennen; Ms. Nuso; Meloney Allen; Jean Nickleson; Cladia Jason; David Anderson; male speaker; Steve Marki; Sara Bin; Beverly Upton; Mathew McDolton; Melisa Say; Diana Lum; Alisa VanNort; Mary Harris; female speaker; Michael Fredon; Jim Corigan; Alma Robison; Juiles Roy; Shawka Diek; Peter Green; Mike Greg; Carl Warren; Mike Gonzalez; James Green; Frank Kelly, Local 798; Tony Sacco; Debra Rebel, Local 21; Chris Amaro; Joe Wilson, Coleman Advocates; Carmen Lewis; Marshall Philips; Sara Loreson; John Darmin; Fay Row; Barbara Blong; Dilbert Scott; John Hanley; Scott Peoples; male speaker; David Johnson; Mike Delane; Robert Blane; Brett Everett; Paul Conroy.

Heard in Committee. Speaker: Hariett Syskin; Ann Ahern; Ntanya Lee; Chirs Omaro; Alexis Parris; Gail Silba; Dr. Vila; Rena Sasolta; Lida Chow; Pierce McKinsy; Patricia Reed; Leslie Will; Barbara Lopez; Steve Cockral; Barbara Blong; Delbert Scott; Kathleen Kopp; Al Fernandez; female speaker; Edwin Zane; female speaker; Ms. Savijenti; Cynthia Petigori; Marilyn Anene; male speaker; female speaker (translated); female speaker(trnslated); female speaker(trnslated); Eng Ru; Lois Scott; Ed Harrington, Controller; Jim Ellie; Ms. VanDam; Valerie Etkins; Emilo Valmo; Martha Collin; Michael Lyon; Ed Pelao; Timothy Bradley; Ed Kinchley, Local 790; Van; Heather Hotchkins; Brother Jefferson; male speaker; Jenifer Friedenbach; Jackie Jenks; Judy Burkowich; Betty Finkel; Ed Harrington, Controller; Harvey Rose, Budget Analyst.

Meeting recessed to June 27, 2003, at 10:15 a.m.
MEETING RECESSED.

SPECIAL ORDER 10:15 AM

031028 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for the Board of Supervisors, Mayor, City Attorney, Public Defender, District Attorney, Juvenile Probation, Environment, Planning, Adult and Aging Services, and Trial Courts for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/11/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Terence Hallinan, District Attorney; Teresa Saki, District Attorney's Office; Ben Rosenfield, Mayor's Office; City Attorney; Ed Harrington, Controller; Jeff Adachi, Public Defender; Jesse Williams, Chief Juvenile Probation Officer, Juvenile Probation; Darrick Lam, Executive Director, Adult and Aging Services; Jared Blumenfeld, Director, Department of the Environment; Gerald Green, Director, Planning Department; male speaker, Trial Courts.

Heard in Committee. Speakers: Gloria L. Young, Clerk of the Board, Board of Supervisors; Harvey Rose, Budget Analyst; Frank Darby, Records and Information Manager, Board of Supervisors; Ed Harrington, Controller; Steve Kawa, Deputy Chief of Staff, Mayor's Office; Debra Newman, Budget Analyst's Office; Monique Zmuda, Deputy Controller; Dennis Herrera, City Attorney; Brenda Lopez, Director, DCYTF; Jared Blumenfeld, Director, Department of the Environment; Teresa Sarata, District Attorney's Office; Severne Campell, Budget Analyst's Office; Katherine Petrucione, Mayor's Office; Linda Clee, District Attorney's Office; Ms. Tucker, Juvenile Probation; Ben Rosenfield, Mayor's Office; Darrick Lam, Executive Director, Adult and Aging Services; Mr. Lai, Trial Courts; Kieu-anh King, Mayor's Office; Michael Burn, Executive Director, MTA.

Meeting recessed to June 27, 2003, at 10:15 a.m.

MEETING RECESSED.

031029 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for the Assessor/Recorder, Recreation and Park Department, Public Health, Children Youth and Families, Taxicab Commission, and Municipal Transportation Agency for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/11/03, CONTINUED. Heard in Committee. Speakers: Mabel Teng, Assessor; Ed Harrington, Controller; Elizabeth Goldstein, Recreation and Parks Dept.; Michael Frank; Dr. Mitchell Katz, Director, Public Health; Aaron Brantly, Mayor's Office; Greg Sass, Chief Financial Officer, Pubic Health; Ben Rosenfield, Mayor's Office; Monique Zmuda, Deputy Controller, Controller's Office; Nani Coloretti, Director of Budget, Planning and Policy, Children Youth and Families; Michael Burns, MUNI; Gerald Norman, Director, Parking and Traffic; Julia Dawson, Parking and Traffic.

Heard in Committee. Speakers: Mabel Teng, Assessor/Recorder; Harvey Rose, Budget Analyst; Ken Bruce, Budget Analyst's Office; Sara Graham, Budget Analyst's Office; male speaker, Assessor's Office; Elizabeth Goldstein, General Manager, Recreation and Parks; Ted Lakey, Deputy City Attorney; Monique, Zmunda, Deputy Controller; Dr. Mitchell Katz, Director, Public Health; Barbara Garcia, Deputy Director, Public Health.

Meeting recessed to June 27, 2003, at 10:15 a.m.

MEETING RECESSED.

030747 **[Fee Schedule Amendments - Planning Department]**

Ordinance amending the San Francisco Administrative Code by amending Chapter 31, Article IV to increase fees for services, and making environmental findings. (Planning Department)

(6/17/02 in Board: The Mayor submitted a substitute ordinance bearing new title. No Public Benefit Recipient. No fiscal impact.)

4/28/03, RECEIVED AND ASSIGNED to Budget Committee.

6/17/03, SUBSTITUTED. The Mayor submitted a substitute ordinance bearing new title.

6/17/03, ASSIGNED to Budget Committee. Sponsor requests this item be scheduled for consideration at the June 26, 2003 meeting.

Meeting recessed to June 27, 2003, at 10:15 a.m.

MEETING RECESSED.

030748 **[Fee Schedule Amendments - Planning Department]**

Ordinance amending the San Francisco Planning Code by amending Article 3.5 to increase fees for services, and making environmental findings. (Planning Department)

(6/17/03 in Board: The Mayor submitted a substitute ordinance bearing new title. No Public Benefit Recipient. No fiscal impact.)

4/28/03, RECEIVED AND ASSIGNED to Budget Committee

6/17/03, SUBSTITUTED. The Mayor submitted a substitute ordinance bearing new title.

6/17/03, ASSIGNED to Budget Committee. Sponsor requests this item be scheduled for consideration at the June 26, 2003 meeting.

Meeting recessed to June 27, 2003, at 10:15 a.m.

MEETING RECESSED.

030987 **[Agreement for Naming Rights - Forty Niners, Ltd.]**

Mayor

Resolution approving and authorizing an agreement with the San Francisco Forty Niners, Ltd., for naming rights at the stadium. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Elizabeth Goldstein, General Manager, Recreation and Parks; Harvey Rose, Budget Analyst

06-26-03 Amendment of the whole bearing a new title. Motion to approve as amended failed (Ma Aye; Gonzalez No; Peskin Aye; Daly No). Tabled.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution approving and authorizing an agreement with the San Francisco Forty Niners, Ltd., for naming rights at the stadium with board of Supervisors approval required for the stadium name. (Mayor)

Motion to approve as amended failed by the following vote: Ma - Aye; Gonzalez - No; Peskin - Aye; Daly - No. Item tabled.

TABLED by the following vote:

Ayes: 4 - Daly, Peskin, Ma, Gonzalez
Absent: 1 - Maxwell

030991 [Establishing Parking Meter and Permit Parking Areas --Recreation and Park Property]

Mayor

Ordinance amending the Traffic Code by adding Sec. 201.5 to establish Parking Meter Area Number Five; amending Sec. 201 to authorize the General Manager of the Recreation and Park Department to establish parking meter zones within Parking Meter Area Five subject to approval of the Recreation and Park Commission; amending Sec. 203.6 to set Parking Meter Rates in Parking Meter Area Number Five and to authorize the Recreation and Park Commission to reduce the meter rate not more than 50% lower than that set by the Board of Supervisors; amending Sec. 213 to provide that monies collected from meters located on park land be credited to an account for use by the Recreation and Park Department; adding Park Code Article 14 to establish permit parking on Park Property; and amending Park Code Sec. 6.10 to provide for penalties for violating Article 14. (Mayor)

(Supervisor Peskin dissenting in Committee.)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Elizabeth Goldstein, General Manager, Recreation and Parks; Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 3 - Daly, Ma, Gonzalez
Noes: 1 - Peskin
Absent: 1 - Maxwell

030986 [Patient Rates, Fiscal Year 2003-04]

Mayor

Ordinance amending Section 128 of the San Francisco Health Code to revise selective patient rates for Mental Health services furnished by the Department of Public Health, retroactive to July 1, 2003. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Gregg Sass, Public Health; Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Gonzalez
Absent: 2 - Maxwell, Ma

030928 [Reserved Funds, DPH-Laguna Honda]

Hearing to consider release of reserved funds, Department of Public Health fiscal year 2002-2003 budget, in the amount of $1,744,293 for the Laguna Honda laundry and nursing services. (Public Health Department)

5/27/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

6/4/03, TRANSFERRED to Budget Committee

Heard in Committee. Speakers: Gregg Sass, Public Health; Ken Bruce, Budget Analyst's Office.

Recess to June 27, 2003 at 2:00 p.m.

MEETING RECESSED.

030992 **[Amending Administrative Code Section 10.100-218.]**

Mayor

Ordinance amending Administrative Code Section 10.100-218 to (1) permit unencumbered tobacco settlement revenues received by the City and deposited into the Tobacco Settlement Revenue Sub-account prior to the date of issuance of the City's bonded indebtedness authorized by the voters pursuant to Proposition A of November of 1999 to be used for a transfer to the General Fund in fiscal year 2003-2004 for the payment of certain Department of Public Health expenses and (2) provide a guarantee of payment from the City's General Fund in the event that less than $100,000,000 of tobacco settlement revenues are available to be expended on the Laguna Honda Hospital reconstruction project. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

Heard in Committee. Speakers: Monique Moyer, Mayor's Office; Harvey Rose, Budget Analyst.

RECOMMENDED by the following vote:

Ayes: 3 - Daly, Peskin, Gonzalez
Absent: 2 - Maxwell, Ma

ADJOURNMENT

At the hour of 6:22 p.m. the meeting recessed to June 27, 2003 at 10:15 a.m.

[Budget Analyst Report]
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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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June 24, 2003

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: Recommendations of the Budget Analyst for Amendment of the Mayor's Fiscal Year 2003-2004 Budget.

The Budget Analyst is providing the attached budget recommendations for departments listed below which are the subject of the Budget Committee budget hearing.

Budget Committee Budget Hearing-June 26, 2003,

Page

Special Order 10:15 a.m.

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CAT City Attorney 11
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DAT District Attorney 21
JUV Juvenile Probation 26
ENV Environment 36
CPL City Planning 40

AGE Adult and Aging Services 55
CRT Trial Courts 60
ASR Assessor/Recorder 66
REC Recreation and Park 75
DPH Public Health 96
CHF Children, Youth and Their Families 124

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Maxwell
Supervisor Ma
President Gonzalez
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **BOS – BOARD OF SUPERVISORS**

FINANCIAL DATA:

The Board of Supervisors proposed $8,613,248 budget for FY 2003-2004 is $420,864 or 4.7 percent less than the original FY 2002-2003 budget of $9,034,112. The net increase from the revised FY 2002-2003 budget is the same as the original.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
BOARD OF SUPERVISORS	-	-	$ 2,920,513	$ 2,920,513
CLERK OF THE BOARD	8,342,075	8,342,075	2,798,527	(5,543,548)
CHILDREN'S BASELINE	212,070	212,070	195,376	(16,694)
BUDGET & LEGISLATIVE ANALYSTS	-	-	2,277,957	2,277,957
LOCAL AGENCY FORMATION	448,967	448,967	403,375	(45,592)
Net Expenditures	$ 9,003,112	$ 9,003,112	$ 8,595,748	$ (407,364)
Work Order Recoveries	31,000	31,000	17,500	(13,500)
Total Expenditures	$ 9,034,112	$ 9,034,112	$ 8,613,248	$ (420,864)

DEPARTMENT: BOS – BOARD OF SUPERVISORS

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 64.11 FTEs, which is .60 FTEs less than the 64.71 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
BOARD OF SUPERVISORS	0.00	30.98	30.98
CLERK OF THE BOARD	61.11	26.23	(34.88)
CHILDREN'S BASELINE	3.10	3.00	(0.10)
BUDGET & LEGISLATIVE ANALYSTS	0.00	3.40	3.40
LOCAL AGENCY FORMATION	0.50	0.50	0.00
Totals	64.71	64.11	(0.60)

DEPARTMENT REVENUES

General Fund support has decreased by $205,364 or 2.4 percent, primarily due to various expenditure reductions discussed below.

DESCRIPTION

The major changes in the Board of Supervisors FY 2003-2004 budget are as follows:

- Establishing as separate Divisions (a) the Board of Supervisors Division, which includes the 11 Members of the Board and their 22 Legislative Analyst positions, related equipment and operating expenses and the annual audit of the Controller's books, (b) the Budget & Legislative Analysts Division, which includes the four positions in the Legislative Analyst's Office and the Budget Analyst's contract and (c) the Clerk of the Board's Division, which includes the 26.23 FTE positions in the Clerk's Office, the Sunshine Task Force and the Assessment Appeals Board and their related operating expenses.
- Two other Divisions, which do not change under the proposed budget, include the Children's Baseline, which is the Youth Commission and the Local Agency Formation Committee (LAFCO).

DEPARTMENT: BOS – BOARD OF SUPERVISORS

- The overall reduction of $420,864 in the Board of Supervisors budget is primarily due to (a) reductions of $119,244 in the fringe benefit costs resulting from the negotiated 7.5% retirement provision, (b) reductions of $242,739 in Other Current Expenses due to greater efficiencies in advertising, and (c) reductions of $45,592 in the LAFCO budget.
- Although the LAFCO budget, as included in the Board of Supervisors budget, is decreasing $45,592 in FY 2003-2004, the City Attorney's Office has advised that neither the Mayor nor the Board of Supervisors may further reduce the budget request, as submitted by LAFCO.
- The Mayor's proposed FY 2003-2004 budget includes salaries of $37,584 or a total of $413,424, for each member of the Board of Supervisors with the related fringe benefit costs of $132,310. Pursuant to City Charter Section 2.100, on May 19, 2003, the Civil Service Commission set new compensation rates for the Board of Supervisors. On June 2, 2003, the Controller advised the Chair of the Budget Committee that pursuant to the City Charter, the Controller is responsible for including the Civil Service Commission's determination in the appropriate budget documents to insure implementation, and will comply with this Charter mandate to include the additional necessary $988,782, including $822,096 for salaries and $166,686 for fringe benefits. Therefore, total salaries of $1,235,520 and total fringe benefits of $298,996 will be included in the FY 2003-2004 budget for compensation of the Board of Supervisors. Each Board member would be paid $112,320 for salaries. The fringe benefit cost per Board member is $27,181. The Controller's Office advises that the General Fund Reserve would be used to funds these costs, if other funds are not identified during the upcoming budget deliberations.
- The Clerk of the Board advises that on May 29, 2003 the Committee on Information Technology (COIT) approved the Department's request to replace the existing legislative tracking system, which has been used since 1998 to track and electronically file all legislative matters. This new system, which is not included in the proposed FY 2003-2004 budget is estimated to cost $450,000.

Budget Analyst Contract

In accordance with the existing provisions of the Budget Analyst contract, as previously approved by the Board of Supervisors, the Budget Analyst compensation is indexed to changes in total compensation for the employee bargaining unit performing similar work, i.e., Local 21, the International Federation of Professional and Technical Engineers (IFPTE). As a result, the base budget amount for the FY 2003-2004 Budget Analyst contract is $2,112,969, reflecting the restoration of the City's "pickup" of the 2.75 percent retirement contribution, plus a one percent increase effective June 30, 2003, as stipulated in the amended Local 21 MOU for FY 2002-2003. The budgeted amount in the FY 2003-2004 Board of Supervisors proposed budget for the Budget Analyst contract is $2,003,291, a reduction of $109,678 from the base budget amount of $2,112,969, in accordance with the Local 21 MOU that becomes effective on July 1, 2003.

The Budget Analyst's contract, as recommended by the Mayor, would result in a $109,678 reduction or 5.2 percent to the FY 2003-2004 amount of $2,112,969. At the direction of the Board of Supervisors

DEPARTMENT: BOS – BOARD OF SUPERVISORS

(Motion M03-58), the Budget Analyst has prepared an analysis of potential 10 and 20 percent reductions to the Budget Analyst's base budget amount for FY 2003-2004. A 10 percent reduction from the Budget Analyst base budget amount of $2,112,969 would result in a reduction of $211,297, or a $101,619 further reduction from the currently budgeted $2,003,291. Such a reduction would represent approximately 1,049 reduced professional staff hours based on an average hourly rate of $96.90.

A 20 percent reduction from the Budget Analyst base budget amount of $2,112,969 would result in a reduction of $422,594, or a $312,916 further reduction from the currently budgeted $2,003,291. This reduction would represent approximately 3,229 reduced professional staff hours based on an average hourly rate of $96.90.

An analysis of Budget Analyst professional staff hours shows that Budget Analyst contract hours are generally committed to the following activities on an annual basis: Budget Review (18 percent); Finance Committee (45 percent); other Board Committees (18 percent); and Management Audits and Special Projects (19 percent). Under the Budget Analyst contract, the Budget Analyst performs its assignments as directed by the Board of Supervisors. Therefore, if Budget Analyst professional staff hours were to be reduced from current levels, the Budget Analyst would seek direction from the Board of Supervisors regarding reductions in specific activities and responsibilities. Examples of the impact of potential reductions on the work performed by the Budget Analyst are shown below:

10% Reduction from the Base Budget Amount - a reduction of 1,049 professional staff hours to achieve FY 2003-2004 further savings of $101,619, would result in some combination of the following further reductions to Budget Analyst activities:

Activity	Reduction in Current Level of Service of up to
Budget Review	28.2 %
Finance Committee	11.3%
Subject Area Committees	28.2%
Management Audits	26.7%

20% Reduction from the Base Budget Amount - a reduction of 3,229 professional staff hours to achieve additional FY 2003-2004 further savings of $312,916, would result in some combination of the following reductions to Budget Analyst activities:

Activity	Reduction in Current Level of Service of up to
Budget Review	86.8%
Finance Committee	34.7%
Subject Area Committees	86.8%
Management Audits	82.2%

DEPARTMENT: BOS – BOARD OF SUPERVISORS

Policy Decisions

- The proposed FY 2003-2004 budget, under the Board of Supervisors Division, includes $27,096 of new computer equipment purchases which would be used to replace 18 computers and related equipment in the Clerk of the Board's Office. The Clerk of the Board advises that the existing equipment is slow and unreliable which causes the Clerk of the Board's computers to frequently freeze up and breakdown. Given the economic difficulties facing the City's General Fund in FY 2003-2004, the Budget Analyst considers approval of this equipment expenditure to be a policy matter for the Board of Supervisors.

- The proposed budget also includes funding for 0.7 FTE 1367 Special Assistant VIII position in the Legislative Analyst's Office, at a cost of $62,821, and related fringe benefit costs of $5,379 for a total cost of $68,200 in FY 2003-1004. This position has already been vacant since June 30, 2002. The proposed FY 2003-2004 budget includes a reduction of 0.3 FTE for this 1367 Special Assistant VIII position, in anticipation of keeping this position vacant for approximately the first four months of FY 2003-2004. Consistent with the Budget Analyst's recommendations to eliminate positions that have been vacant for at least one year in other City departments, the Budget Analyst would normally recommend the elimination of this position. However, during the FY 2002-2003 budget deliberations, when this position initially became vacant, the Budget Committee decided to retain this Legislative Analyst position. Therefore, the Budget Analyst considers approval of this position to be a policy matter for the Board of Supervisors. If the Budget Committee recommends the deletion of this vacant position, the attrition savings of the Clerk of the Board's office should be adjusted to reflect this deletion.

epartment: BOS - Board of Supervisors

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
830	027	Professional & Specialized Services - Budget Analyst Contract				2,003,291	2,003,291	*

* The contract amount of $2,003,291 results in a reduction of $109,678, or 5.2 percent of the base amount of $2,112,969, to the five firms comprising the Budget Analyst Joint Venture. Approval of the Budget Analyst contract is a policy matter for the Board of Supervisors.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **MYR - MAYOR**

FINANCIAL DATA:

The Mayor's proposed $9,294,924 budget for FY 2003-2004 is $20,718,415 or 69 percent less than the original FY 2002-2003 budget of $30,013,339. The net increase from the revised FY 2002-2003 budget is $36,497,150 or 79.7 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2002-2003		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) 2002-2003
Program Expenditures	Original	Revised	2003-2004	Original Budget
OFFICE OF EMERGENCY SERVICE	$ 1,304,511	$ 1,304,511	$ -	$ (1,304,511)
CRIMINAL JUSTICE	4,359,057	19,711,487	2,899,050	(1,460,007)
COMMUNITY DEVELOPMENT	-	426,305	-	-
ASSISTANCE & NEIGHBORHOOD OUTREACH	1,368,743	1,368,743	1,106,075	(262,668)
CITY ADMINISTRATION	3,466,456	3,466,456	3,339,375	(127,081)
GRANTS FOR THE ARTS	16,123,039	16,123,039	-	(16,123,039)
NEIGHBORHOOD BEAUTIFICATION	1,145,361	1,145,361	-	(1,145,361)
FINANCE & LEGISLATIVE AFFAIRS	907,384	907,384	788,808	(118,576)
AFFORDABLE HOUSING	5,436,000	5,436,000	-	(5,436,000)
Net Expenditures	$ 34,110,551	$ 49,889,286	$ 8,133,308	$ (25,977,243)
Work Order Recoveries	1,338,788	1,338,788	1,161,616	(177,172)
Total Expenditures	$ 35,449,339	$ 51,228,074	$ 9,294,924	$ (26,154,415)
Less: Capital and Facilities Maint.	5,436,000	5,436,000	-	(5,436,000)
Total Operating Budget	$ 30,013,339	$ 45,792,074	$ 9,294,924	$ (20,718,415)

DEPARTMENT: MYR - MAYOR

DEPARTMENT PERSONNEL SUMMARY:

The Department has budgeted for two layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 56.27 FTEs, which is 15.80 FTEs less than the 72.07 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
OFFICE OF EMERGENCY SERVICE	5.75	0.00	(5.75)
CRIMINAL JUSTICE	7.76	8.29	0.53
AFFORDABLE HOUSING	0.00	0.00	0.00
ASSISTANCE & NEIGHBORHOOD OUTREACH	16.20	14.54	(1.66)
CITY ADMINISTRATION	28.04	26.51	(1.53)
GRANTS FOR THE ARTS	4.93	0.00	(4.93)
NEIGHBORHOOD BEAUTIFICATION	2.00	0.00	(2.00)
FINANCE & LEGISLATIVE AFFAIRS	7.39	6.93	(0.46)
Totals	72.07	56.27	(15.80)

DEPARTMENT REVENUES

Department revenues have decreased by $23,606,320 or 9.0 percent and General Fund support has decreased by $2,370,923 or 29.9 percent. The large reduction in Department revenues is primarily due to a $15,075,000 State Board of Corrections construction grant in FY 2002-2003 for the Juvenile Hall Replacement Project, reduction of $723,509 in the Federal COPS Program technology grant, a reduction of $5,436,000 of Hotel Tax Fund for Affordable Housing which has been transferred to the Redevelopment Agency and transfer of $1,145,361 of the Neighborhood Beautification revenues to the Department of Administrative Services. The reduction of General Fund support is primarily due to the transfer of the Office of Emergency Services budget from the Mayor's Office to Emergency Communications Division and various General Fund expenditure reductions within the remaining Divisions in the Mayor's Office.

DEPARTMENT: MYR - MAYOR

DESCRIPTION

The major changes in the Mayor's FY 2003-2004 budget are as follows:

- Transfer of the Office of Emergency Services' $1,304,511 budget, containing 5.75 FTEs to the Emergency Communications Department.
- Transfer of the Grants for the Arts Program's $16,123,039 budget, containing 4.93 FTEs to the Administrative Services Department.
- Transfer of the Neighborhood Beautification's $1,145,361 budget, containing 2.00 FTEs to the Administrative Services Department.
- Transfer of the Affordable Housing Program's $5,436,000 budget to the Redevelopment Agency for FY 2003-2004.
- This leaves the Criminal Justice, Assistance and Neighborhood Outreach, City Administration and Finance & Legislative Affairs Divisions remaining in the Mayor's Office.
- Reclassification of 31 of the 49 FTE Special Assistants to comparable or lower Mayoral Staff classifications.
- Overall reduction of 2.20 FTEs in the remaining Divisions within the Mayor's budget, including two layoffs. The two layoffs are one press position in the Administration Division (1.0 FTE 0887 Mayoral Staff VII) and one Citizen Assistant Supervisor Advisor position in the Assistance and Neighborhood Outreach Division (1.0 FTE 0890 Mayoral Staff X).
- Reductions of approximately $680,000 of various nonpersonnel expenditures.

epartment: MYR - Mayor's Office

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
ity Administration								
75	009	Premium Pay Adjust to reflect actual projected expenditures in FY 2002-2003.				$13,781	$2,000	$11,781
75	035	Other Current Expenses Adjust to reflect actual projected expenditures in FY 2002-2003, adjusted upwards for a COLA.				76,961	40,000	36,961
75	049	Other Materials & Supplies Adjust to reflect actual projected expenditures in FY 2002-2003, adjusted upwards for COLA .				96,543	60,000	36,543
		Total Recommended Reductions						$85,285

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: CAT – CITY ATTORNEY

FINANCIAL DATA:

The City Attorney's proposed $45,977,443 budget for FY 2003-2004 is $631,921 or 1.36 percent less than the original FY 2002-2003 budget of $46,609,364. The net decrease from the revised FY 2002-2003 budget is $2,241,921 or 4.65 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Increase (Decrease) 2002-2003 Original Budget
CLAIMS	4,384,639	4,384,639	4,300,947	(83,692)
LEGAL SERVICE	3,064,129	4,674,129	1,257,299	(1,806,830)
LEGAL INITIATIVES	1,700,000	1,700,000	1,700,000	-
Net Expenditures	$ 9,148,768	$ 10,758,768	$ 7,258,246	$ (1,890,522)
Work Order Recoveries	37,460,596	37,460,596	38,719,197	1,258,601
Total Expenditures	$ 46,609,364	$ 48,219,364	$ 45,977,443	$ (631,921)

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs for FY 2003-2004. The number of full-time equivalent positions budgeted for FY 2003-2004 is 318.9 FTEs, which is 1.92 FTEs less than the 320.78 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CLAIMS	47.18	47.19	0.01
LEGAL SERVICE	273.60	271.67	(1.93)
Totals	320.78	318.86	(1.92)

DEPARTMENT: **CAT – CITY ATTORNEY**

DEPARTMENT REVENUES

The Department is funded by recoveries from other General Fund and non-General Fund Departments and General Fund support. General Fund support for FY 2003-2004 is $7,258,246, a decrease of $1,890,522 or 20.66 percent.

DESCRIPTION

The City Attorney's FY 2003-2004 budget includes total expenditures of $45,977,443, which are offset by recoveries totaling $38,719,197. The Department's unrecovered expenditures total $7,258,246.

In FY 2003-2004, the Department's proposed budget shows a net decrease of $631,921. Major changes in the FY 2003-2004 proposed budget include a decrease of $651,611 in salaries and fringe benefits, which is mainly due to reductions to fringe benefits. The decrease in salaries and fringe benefits is offset by an overall increase in Non Personal Services of $19,690, which includes: (a) a net decrease of $23,855 for Travel and Training, (b) an increase of $95,435 for Professional & Specialized Services, (c) an increase of $10,826 for Rent, (d) an increase of $25,454 for Materials & Supplies, (e) a net decrease of $199,672 for Equipment Purchase and Equipment Lease/Purchase, and (f) an increase of $111,502 for Services of Other Departments. The Department's FTE count is being reduced by 1.92 FTE, which is primarily due to adjustments to the position count for Temporary Salaries and Attrition Savings.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

rtment: CAT - City Attorney

e		Position/ Equipment	Number		Amount		
. Object		Number	From	To	From	To	Savings
Business Tax Litigation							
035	Other Current Expenses				$144,800	$70,000	$74,800
	Reduce Other Current Expenses for Business Tax Litigation to actual FY 2002-2003 expenditure level, adjusted for cost of living.						
City Attorney Legal Initiatives							
053	Judgements & Claims				300,000	235,000	65,000
	Reduce Judgements & Claims for Legal Initiatives to actual FY 2002-2003 expenditure level, adjusted for cost of living.						
	Total Recommended Reductions						**$139,800**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **PDR – PUBLIC DEFENDER**

FINANCIAL DATA:

The Public Defender's proposed $15,732,843 budget for FY 2003-2004 is $2,501,206 or 18.9 percent more than the original FY 2002-2003 budget of $13,231,637. The net increase from the revised FY 2002-2003 budget is $2,343,996 or 17.5 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
CRIMINAL AND SPECIAL DEFENSE	$ 13,071,273	$ 13,071,273	$ 15,182,051	$ 2,110,778
GRANT SERVICES	60,364	217,574	180,229	119,865
Net Expenditures	$ 13,131,637	$ 13,288,847	$ 15,362,280	$ 2,230,643
Work Order Recoveries	100,000	100,000	370,563	270,563
Total Expenditures	$ 13,231,637	$ 13,388,847	$ 15,732,843	$ 2,501,206

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 124.93 FTEs, which is 12.72 FTEs more than the 112.21 FTEs in the original FY 2002-2003 budget. The Department is requesting 18.0 new FTEs in the FY 2003-2004 budget, offset by increases in attrition savings, resulting in a net increase of 12.72 FTEs. The FTE allocations by program are as follows:

DEPARTMENT: PDR – PUBLIC DEFENDER

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CRIMINAL AND SPECIAL DEFENSE	111.24	122.55	11.31
GRANT SERVICES	0.97	2.38	1.41
Totals	112.21	124.93	12.72

DEPARTMENT REVENUES

Department revenues have increased by $119,865 or 198.6 percent and General Fund support has increased by $2,110,778 or 16.1 percent.

DESCRIPTION

The Public Defender has two major new initiatives in FY 2003-2004. The Public Defender proposes developing a new Local Area Network (LAN) and case management system to automate attorney and staff tasks and to increase administrative efficiency. The Department has included $199,680 in the FY 2003-2004 budget for upgrades to the existing computer system, which includes $92,060 for upgrades to the computer servers and $107,620 for computer software.

Additionally, the Public Defender is requesting 18 new positions (13.50 FTEs in FY 2003-2004), with a FY 2003-2004 salary and fringe benefit cost of approximately $1,065,482, and annualized costs of approximately $1,420,643. Of the 18 new positions, the Public Defender is requesting one new 1023 Information Systems Administrator to support the new LAN and case management system. The Budget Analyst is recommending approval of this new position, which will provide software support and oversight for the new LAN and case management system.

Out of the balance of 17 new positions (18 less 1) the Public Defender has requested two 8142 Public Defender's Investigators, nine 8173 Legal Assistants, two 8174 Attorneys, two 8176 Trial Attorneys, and two 8178 Senior Attorneys. According to the Public Defender, the 17 new attorney and support staff positions are necessary to reduce the average annual caseload per attorney by 42, or approximately 8 percent, from 528 to 486[1] which, in turn, would reduce the number of cases referred to the Superior Court's Indigent Defense Program. According to the Public Defender's Office, the total number of cases has increased by 6,021 or approximately 19.5 percent, from 30,908 cases in FY 2000-2001 to 36,929 cases in FY 2002-2003. Since FY 2000-2001 the number of budgeted positions has remained essentially unchanged, with 120.07 FTEs in FY 2000-2001 and 120.23 FTEs in FY 2002-2003. The Budget Analyst is recommending approval of 15 of these 17 new attorney and support staff positions as explained below.

Indigent Defense Program

The Public Defender refers cases to the Superior Court's Indigent Defense Program when the Public Defender determines that a conflict of interest would result if the Public Defender were to serve as the defense attorney or if the Public Defender cannot handle the case with his existing staff. The Superior Court appoints a private defense attorney through the Indigent Defense Program. According to the Public Defender, although generally the Public Defender only refers cases to the Indigent Defense Program if an ethical conflict exists, the Public Defender has referred cases to the Indigent Defense Program because of lack of adequate staffing or high caseloads. The Public Defender projects that the number of cases referred to the Indigent Defense Program will decrease with the addition of 17 new positions, resulting in overall cost savings to the General Fund. According to the Public Defender, with the addition of the 17 new positions, total estimated annual referrals in FY 2003-2004 to the Indigent Defense Program will decrease by 1,421 or 18.1 percent, from 7,865 referrals in FY 2002-2003 to an estimated 6,444 referrals in FY 2003-2004. The Public Defender advises that, in addition to the requested 17 new positions, the Public Defender's Office has implemented a policy to require deputy public defenders to explain in writing all referrals to the Indigent Defense Program, subject to approval of the Public Defender's Chief Attorney. According to the Public Defender, in FY 2004-2005 estimated referrals by the Public Defender to the Indigent Defense Program will be further reduced by 444 cases to approximately 6,000 cases. Based on the Public Defender's representation of estimates of referrals to the Indigent Defense Program in FY 2003-2004 and FY 2004-2005, the Budget Analyst estimates, as shown in the following table, that the increased cost of the new Public Defender positions, offset by a decrease in Indigent Defense Program costs, will be generally cost neutral but will not result in General Fund savings.

---

[1] In FY 2002-2003, the Public Defender had 36,929 cases and 70 FTEs for attorney classification below the Head Attorney. The Public Defender is proposing 6 new FTEs for attorney classifications, which would reduce the caseload per attorney by approximately 8 percent.

DEPARTMENT: **PDR – PUBLIC DEFENDER**

	FY 2002-2003	FY 2003-2004	FY 2004-2005
Indigent Defense Program Budgeted Expenditures*	$6,806,400	$6,976,852	$6,600,000
Supplemental Appropriation	1,200,000	0	0
Subtotal, Indigent Defense Program	8,006,400	6,976,852	6,600,000
Estimated Increased Public Defender Staffing Costs for 17 proposed new positions**	0	1,005,462	1,340,616
Total Public Defender and Indigent Defense Program Costs	**$8,006,400**	**$7,982,314**	**$7,940,616**

* FY 2002-2003 and FY 2003-2004 Indigent Defense Program expenditures are based on budgeted expenditures and FY 2004-2005 expenditures are based on an estimated 6,000 cases with an average cost per case of approximately $1,100.

** FY 2004-2005 staffing costs include full-year salaries and fringe benefit expenditures for 17 positions but do not include cost of living adjustments.

As discussed above, the Public Defender has stated that the 17 requested attorney and support staff positions, of which the Budget Analyst is recommending approval of 15 positions, will result in savings to the City due to reduced referrals to the Superior Court's Indigent Defense Program. The Budget Analyst recommends that the Public Defender submit a written report to the Board of Supervisors prior to April 1, 2004, which analyzes the increased cost of these 15 new positions, the actual number of referrals to the Indigent Defense Program, and the current costs of the Indigent Defense Program.

COMMENT

The Mayor's budget provides an increase of $2,501,206. Our recommended reductions, which total $254,191 would still allow an increase of $2,247,015 or 17% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-2004

artment: Public Defender

e .	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
gram: Criminal and Special Defense							
	001 Permanent Salaries- Misc.				$11,343,913	$11,166,330	*

* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

	Public Defender's Investigator	8142	1.5	0.75	89,027	44,514	44,514

Disapprove one of the requested two (1.5 FTE) new 8142 Public Defender's Investigator positions. In FY 2002-2003, the Department substituted upward one 8142 Public Defender's Investigator to an 8143 Senior Public Investigator, reducing the total number of 8142 Public Defender's Investigator positions from 12 to 11 and increasing the total number of 8143 Senior Public Defender's Investigator positions from 3 to 4. We are recommending approval of one 8142 Public Defender's Investigator positions, resulting in a total of twelve 8142 Public Defender's Investigators and four 8143 Senior Public Defender's Investigators. Although the Public Defender states that "the Budget Analyst fails to explain why the Public Defender should be penalized because the previous administration promoted one 8142 Public Defender's Investigator to an 8143 Senior Public Investigator", it is not the intent of the the Budget Analyst's recommendation to penalize the Public Defender's Office for the upward substitution . Under our recommendation, the Public Defender's Office would maintain the ratio of investigators to attorneys, even with the addition of five new attorney positions. Currently, the Public Defender has 70 attorney positions, including eighteen 8174 Attorneys, twenty-one 8176 Trial Attorneys, seventeen 8178 Senior Attorneys and fourteen 8180 Principal Attorneys, and 15 Public Defender's Investigator and Senior Public Defender's Investigator positions, resulting in an attorney to investigator ratio of 1:4.7. Our recommendation will add five new attorney positions, including two 8176 Attorneys, two new 8176 Trial Attorneys, and one new 8178 Senior Attorney, resulting in a total of 75 attorney positions. Under our recommendation, the Public Defender would have 16 Public Defender's Investigator and Senior Public Defender's Investigators positions for 75 attorneys, resulting in a ratio of investigators to attorneys of 1:4.7. In total, the Budget Analyst is recommending approval of 16 of the 18 new positions requested by the Public Defender, including one of the two new requested Public Defender's Investigators.

epartment: Public Defender

age No.	Object	Position/ Equipment Number	Number From	 To	Amount From	 To	Savings
27	Legal Assistant	8173	6.75	5.75	355,709	303,011	52,698

The Public Defender is requesting nine new 8173 Legal Assistant positions, which equal 6.75 FTE in FY 2003-2004. Currently, the Department has one Legal Assistant position and the nine new positions represent a ten-fold increase in Legal Assistant positions. The Budget Analyst is recommending that the nine new Legal Assistant positions be hired in two stages, including five Legal Assistant positions to be hired in October of 2003 and four Legal Assistant positions to be hired in January of 2004. The Budget Analyst disagrees with the Public Defender's statements that "the Budget Analyst's recommendation completely undermines the department's plan to reduce the number of conflict cases referred to the Superior Court's Indigent Defense Program," and that "the Budget Analyst's recommendation will continue to waste attorney pay, which costs the City three times as much as attorney paralegal pay, by requiring attorneys to do work which should be delegated to a lower paid paralegal". The Budget Analyst is recommending all nine Legal Assistant positions requested by the Public Defender, but believes that the Department will be unable to recruit and hire nine new positions at one time. In total, the Budget Analyst is recommending approval of 16 of the 18 new positions requested by the Public Defender, including all nine Legal Assistants but on a phased-in basis.

28	Senior Attorney	8178	0.75	0.0	80,371	0	80,371

Disapprove one of two (1.5 FTE) requested new 8178 Senior Attorney positions. The Budget Analyst is recommending approval of one of two requested 8178 Senior Attorney positions. In FY 2002-2003, the Public Defender's Office was able to fill six Senior Attorney positions, which had been vacant in FY 2001-2002. The sixth Senior Attorney position was finally filled in June of 2003. Because the Public Defender's Office has only recently been fully staffed with Senior Attorneys, the Budget Analyst believes that the Public Defender should evaluate the work of the Office with full Senior Attorney staffing before increasing the number of new positions by two. In total, the Budget Analyst is recommending approval of 16 of the 18 new positions requested by the Public Defender, including one of the two new Senior Attorneys.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

artment: Public Defender

Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
005	Temporary Salaries Reduce to projected FY 2002-2003 expenditures of $55,400. Actual FY 2001-2002 expenditures were $51,606.				73,757	55,440	18,317
009	Premium Pay Reduce to projected FY 2002-2003 expenditures of $41,000. Actual FY 2001-2002 expenditures were $51,607.				55,305	41,000	14,305
013	Mandatory Fringe Benefits Corresponds to the reductions in Permanent Salaries and Temporary Salaries				1,701,105	1,664,918	36,187
040	Materials and Supplies The FY 2003-2004 Public Defender Materials and Supplies budget of $147,528 includes $92,060 for new computer hardware and software for the automated case management system , plus $55,468 for other materials and supplies. The Budget Analyst's recommendation would approve $92,060 in expenditures for new hardware and software, plus $47,668 for other materials and supplies,or $7,800 less than requested. Our recommendation of $47,668 would still provide $6,332 or 15.3 percent more than projected FY 2002-2003 materials and supplies expenditures of $41,336. This 15.3 percent increase in FY 2003-2004 materials and supplies expenditures, compared to FY 2002-2003 projected expenditures, permits the Department to purchase materials and supplies for the new positions.				147,528	139,728	7,800
	Total Recommended Reductions						$254,191

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: DAT – DISTRICT ATTORNEY

FINANCIAL DATA:

The District Attorney's proposed $29,728,641 budget for FY 2003-2004 is $2,251,647 or 7 percent less than the original FY 2002-2003 budget of $31,980,288. The net decrease from the revised FY 2002-2003 budget is $2,833,752, or 8.7 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2002-2003		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) 2002-2003
Program Expenditures	Original	Revised	2003-2004	Original Budget
FELONY PROSECUTION	$ 17,699,924	$ 17,699,924	$ 17,139,459	$ (560,465)
CAREER CRIMINAL PROSECUTION	778,658	778,658	735,255	(43,403)
WORK ORDERS & GRANTS	3,989,195	4,279,712	4,100,832	111,637
MISDEMEANOR PROSECUTION	1,636,453	1,636,453	1,635,355	(1,098)
IPP / SUBPOENA PROGRAM	339,444	339,444	328,954	(10,490)
CHILD ABDUCTION	719,484	719,484	725,225	5,741
SUPPORT SERVICES	2,853,144	2,853,144	2,105,848	(747,296)
FAMILY VIOLENCE PROGRAM	489,075	489,075	470,230	(18,845)
ADMINISTRATION	652,318	652,318	796,989	144,671
CRIMINAL JUSTICE	-	291,588	-	-
Net Expenditures	$ 29,157,695	$ 29,739,800	$ 28,038,147	$ (1,119,548)
Work Order Recoveries	2,822,593	2,822,593	1,690,494	(1,132,099)
Total Expenditures	$ 31,980,288	$ 32,562,393	$ 29,728,641	$ (2,251,647)

DEPARTMENT: DAT – DISTRICT ATTORNEY

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-2004 is 229.64 FTEs, which is 22.10 FTE less than the 251.74 FTEs in the original FY 2002-2003 budget. The District Attorney has deleted 26.75 FTEs from the FY 2003-2004 budget, offset by adjustments to attrition savings and non-operating expenditures, resulting in a total reduction of 22.10 FTEs and the lay-off of two employees. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
FELONY PROSECUTION	108.20	106.19	(2.01)
CAREER CRIMINAL PROSECUTION	5.79	5.54	(0.25)
WORK ORDERS & GRANTS	62.90	52.35	(10.55)
MISDEMEANOR PROSECUTION	16.32	16.19	(0.13)
IPP / SUBPOENA PROGRAM	4.75	4.75	0.00
CHILD ABDUCTION	6.67	6.67	0.00
SUPPORT SERVICES	39.31	30.37	(8.94)
FAMILY VIOLENCE PROGRAM	4.37	4.16	(0.21)
ADMINISTRATION	3.43	3.42	(0.01)
Totals	251.74	229.64	(22.10)

DEPARTMENT REVENUES

Department revenues have increased by $181,601 or 3 percent and General Fund support has decreased by $1,301,149 or 5.6 percent.

DESCRIPTION

The District Attorney's FY 2003-2004 budget is $2,251,647 or 7 percent less than the original FY 2002-2003 budget of $31,980,288. These reductions have resulted from:

- $2,329,626 decrease in personnel expenditures;

DEPARTMENT: DAT – DISTRICT ATTORNEY

- $75,034 decrease in training, personal services, and building maintenance expenditures;
- $260,992 increase in other current expenses and materials and supplies costs, which include increased expert witness expenditures for the Real Estate Fraud Unit, and increased operating expenses for various grants;
- $111,280 decrease in Services to Other Departments; and
- $3,301 increase in the First Offender Prostitution Program.

The FY 2003-2004 District Attorney's Office budget includes a reduction of $1,295,042 in a work order recovery from the Department of Human Services for welfare fraud investigation tasks performed by the District Attorney's Special Investigation Unit. Welfare fraud investigation functions were originally transferred to the Department of Human Services from the District Attorney's Office in the FY 2003-2004 budget, including transfer of 8.0 FTEs, which includes 6.0 FTE 8146 District Attorney Investigators and 2.0 FTE 8132 District Attorney Investigator Assistants. However, the Mayor has now restored these functions to the District Attorney, which will restore 8.0 FTEs to the District Attorney's budget, plus $1,295,042 in expenditures to the General Fund Work Order Fund, offset by $1,295,042 in interdepartmental recoveries.

epartment: DAT – District Attorney

?age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
rogram: Work Orders and Grants								
)	001	Permanent Salaries				$2,067,147	$2,059,112	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
05	993M	Attrition Savings - Misc				(22,744)	(30,761)	$8,035
		Increase attrition savings to the FY 2002-2003 attrition savings rate to reflect the restoration of 8 positions in the Welfare Fraud Investigation program.						
0	013	Mandatory Fringe Benefits				203,991	202,464	1,527
		Corresponds to reduction in Permanent Salaries						
'rogram: Misdemeanor Prosecution								
'2	040	Materials and Supplies				6,160	3,000	3,160
		Reduce to projected FY 2002-2003 expenditures of $3,000. FY 2001-2002 actual expenditures were $3,850. Overall, the Department has General Fund budget of $107,451 for Materials and Supplies.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

rtment: DAT – District Attorney

e		Position/ Equipment	Number		Amount		
.	Object	Number	From	To	From	To	Savings
	ram: Administration						
	040 Materials and Supplies				5,528	50	5,478
	Reduce to projected FY 2002-2003 expenditures of $50. FY 2001-2002 actual expenditures were $176. Overall, the Department has General Fund budget of $107,451 for Materials and Supplies.						
	Total Recommended Reductions						$ 18,200

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **JUV – JUVENILE PROBATION**

FINANCIAL DATA:

The Juvenile Probation Department's proposed $29,524,220 budget for FY 2003-2004 is $1,151,818 or 3.75 percent less than the original FY 2002-2003 budget of $30,676,038. The net decrease from the revised FY 2002-2003 budget is $1,163,818 or 3.79 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2002-2003		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) 2002-2003
Program Expenditures	Original	Revised	2003-2004	Original Budget
PROBATION SERVICES	$ 11,190,105	$ 11,190,105	$ 11,724,936	$ 534,831
JUVENILE HALL	9,328,596	9,328,596	8,946,196	(382,400)
LOG CABIN RANCH	2,330,457	2,330,457	1,659,046	(671,411)
ADMINISTRATION	5,305,342	5,305,342	5,289,681	(15,661)
CHILDREN'S SVCS - NON-CHILDREN'S FUND	194,000	194,000	194,000	-
CHILDREN'S BASELINE	1,731,923	1,743,923	974,266	(757,657)
Net Expenditures	$ 30,080,423	$ 30,092,423	$ 28,788,125	$ (1,292,298)
Work Order Recoveries	595,615	595,615	736,095	140,480
Total Expenditures	$ 30,676,038	$ 30,688,038	$ 29,524,220	$ (1,151,818)
Less: Capital and Facilities Maint.	330,000	330,000	330,000	-
Total Operating Budget	$ 30,346,038	$ 30,358,038	$ 29,194,220	$ (1,151,818)

DEPARTMENT: JUV – JUVENILE PROBATION

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-2004 is 274.43 FTEs, which is 19.44 FTE less than the 293.87 FTEs in the original FY 2002-2003 budget. The Department reports the lay-off of twelve employees, effective June 30, 2003. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
PROBATION SERVICES	98.40	93.74	(4.66)
JUVENILE HALL	118.09	114.42	(3.67)
LOG CABIN RANCH	28.02	18.34	(9.68)
ADMINISTRATION	42.85	41.74	(1.11)
CHILDREN'S BASELINE	6.51	6.19	(0.32)
Totals	293.87	274.43	(19.44)

The Department's FY 2003-2004 budget contains one new 1053 Senior Business Analyst position at a salary cost of $85,835, which the Budget Analyst is recommending for approval. The position would provide programmer services, which are currently provided by an outside contractor, Owens Information System, at an annual cost of $161,000.

DEPARTMENT REVENUES

Department revenues have increased by $631,690 or 8.36 percent and General Fund support has decreased by $1,923,988 or 8.54 percent.

DEPARTMENT: JUV – JUVENILE PROBATION

DESCRIPTION

In the FY 2003-2004, the Juvenile Probation Department's proposed budget expenditures of $29,524,220 are $1,151,818 less than the original FY 2002-2003 budget of $30,676,038. Major changes in expenditures include the following:

- A $1,274,497 reduction in Permanent Salaries and Mandatory Fringe Benefits;
- A $486,323 net increase resulting from an increase in City Grant Programs offset by a decrease in Professional and Specialized Services;
- A $451,039 net decrease in other expenditures, such as Overhead, Other Current Expenses, Materials and Supplies, Equipment, and Equipment Lease/Purchase; and
- A $87,395 increase in Services of Other Departments, which includes $71,840 in increased Workers Compensation expenditures.

Log Cabin Ranch

Log Cabin Ranch is an alternative to the California Youth Authority for San Francisco youth who have received a criminal conviction. In FY 2003-2004, the Log Cabin Ranch is reorganizing, with the goal of reducing the time served by each youth at the Ranch, from the current average time served of approximately nine to twelve months, to a projected average time served of approximately six months. The Log Cabin Ranch is reducing approximately ten positions, from 28 positions to 18 positions, of which five have been deleted from the budget and five have been reassigned to other Juvenile Probation divisions.

Juvenile Hall Staffing

The Juvenile Hall is a 24-hour detention facility for youth awaiting court hearings. The Juvenile Probation Department reports that the average daily population of Juvenile Hall has decreased from 122 in FY 1997-1998 to approximately 90 in FY 2002-2003, a 26.2 percent reduction. However, budgeted Juvenile Hall counselor staff has not decreased proportionately, as noted in the table below.

DEPARTMENT: JUV – JUVENILE PROBATION

	FY 1997-1998	FY 2002-2003
8320 – Juvenile Hall Counselor	83.00	80.25
8322 – Senior Juvenile Hall Counselor	10.00	9.50
8324 – Supervising Counselor	5.00	4.00
Total Counselor Staff	**98.00**	**93.75**
Average Daily Population, Juvenile Hall	**122**	**90**

Although Juvenile Hall average daily population has reduced by approximately 26.2 percent, from 122 in FY 1997-1998 to 90 in FY 2002-2003, Juvenile Hall staffing has only reduced by approximately 4.3 percent, from 98.00 FTE in FY 1997-1998 to 93.75 FTE in FY 2002-2003. The Budget Analyst conservatively estimates that the Juvenile Probation Department could meet staffing needs with 75.75 FTE 8320 Juvenile Hall Counselors, for an average daily population of 100, which is 10 more than the FY 2002-2003 average daily population of 90. Our estimate would still provide for (a) expected paid time off and training for counselor staff, (b) State mandated staffing ratios, and (c) the Juvenile Probation Department's current additional staffing for youth who present a high level of security risk, for float staff, for security at the key control desk and at the main entrance, and to provide transport to medical appointments, court hearings, and other transportation needs.

The Juvenile Probation Department has proposed FY 2003-2004 Juvenile Hall staffing 82.25 FTE 8320 Juvenile Hall Counselors, 9.50 FTE 8322 Senior Juvenile Hall Counselors, and 5.0 FTE 8324 Supervising Counselors, totaling 96.75 FTE, which is 3.0 FTE, or 3.2 percent more, than the 93.75 budgeted FTEs in FY 2002-2003. The three additional positions were transferred from the Log Cabin Ranch, due to reductions in Log Cabin Ranch staffing, as noted above.

The Budget Analyst recommends deletion of 0.5 FTE 8322 Senior Juvenile Hall Counselor and 5.0 FTE 8320 Juvenile Hall Counselor vacant positions in the FY 2003-2004 budget. Deletion of 5.0 FTE 8320 Juvenile Hall Counselor positions will leave the Department with 77.25 FTE 8320 Juvenile Hall Counselors (82.25 FTE less 5.0 FTE), which is 1.5 FTE more than the 75.75 FTEs 8320 Juvenile Hall Counselors required to meet staffing requirements.

DEPARTMENT: **JUV – JUVENILE PROBATION**

Juvenile Hall Staffing and Workers Compensation Leave

According to the Department, the Department requires all 82.25 FTEs for 8320 Juvenile Hall Counselors due to the large number of employees in the 8320 Juvenile Hall Counselor classification who are on Workers Compensation leave. The Department reports that, as of June 6, 2003, 13 employees in the 8320 Juvenile Hall Counselor classification, out of a total of 77 filled Juvenile Hall Counselor positions, or 16.9 percent, are on Workers Compensation leave. Of these 13 employees on Workers Compensation leave, five have been on Workers Compensation leave for one year or longer, and eight have been on Workers Compensation leave for less than one year. Under California Labor Code Section 4850, Juvenile Hall Counselors qualify for "salary continuation" payments for up to one year for each industrial injury. Therefore, the eight employees who have been on Workers Compensation leave for less than one year qualify for full salary payments for up to one year.

The Budget Analyst concurs with the Department that, because 13 employees in the 8320 Juvenile Hall Counselor classification are on Workers Compensation leave, the Department will need to backfill up to 10 positions. The Budget Analyst concludes that the Department has sufficient budgeted funds in FY 2003-2004, including (i) 1.50 FTE 8320 Juvenile Hall Counselors, which is the difference between the 77.25 FTEs recommended by the Budget Analyst and 75.75 FTEs to meet staffing requirements, plus (ii) Temporary Salaries, equivalent to approximately 8.50 FTE.[1]

In FY 2002-2003, the Juvenile Probation Department projects approximately $1,421,259 in overtime expenditures, which is $910,520 or 178 percent more than FY 2002-2003 budgeted overtime of $510,739. According to the Department, the overtime has resulted from back-filling positions for Juvenile Hall Counselors who are on long term leave.

The Budget Analyst recommends that the Department report in writing to the Board of Supervisors, prior to December 1, 2003, on the Department's use of overtime and attempts to reduce industrial injuries and consequent Workers Compensation claims, including:

- Overtime expenditures from July 1, 2003 through November 30, 2003, including use of overtime to (a) back-fill positions to meet minimum State staffing requirements, and (b) back-filling positions for other than State staffing requirements;
- Implementation of a formal workplace safety program to reduce injury, including (a) designation of a Department administrator as a safety officer, (b) identification of common causes of work place injuries, and (c) programs to address common causes of injury; and
- Written policies and procedures regarding the Department's modified duty program, including designation of key control and court transport positions as modified duty positions.

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[1] The Department has budgeted $454,742 in Temporary Salaries in FY 2003-2004, which is equal to approximately 8.59 FTE ($454,742, divided by $52,931, which is the average salary for the 8320 Juvenile Hall Counselor classification).

epartment: JUV - Juvenile Probation

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		KC - Probation Services						
193	001	Permanent Salaries- Misc.				$ 5,607,098	$ 5,607,098	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
206	001	Deputy Probation Officer	8444	70.00	67.00	5,011,943	4,797,145	214,798
		Delete 3.00 FTE 8444 Deputy Probation Officer positions, two of which have been vacant since October of 2000 and one which has been vacant since August of 2000. With this reduction, the Probation Services Program will still have 72.00 FTE 8444 Deputy Probation Officer positions.						
206	001	Attrition Savings - Misc.	9993M	(9.81)	(6.5)	(628,436)	(413,638)	(214,798)
		Reduce attrition savings by $214,798 to offset the deletion of 3.0 FTE 8444 Deputy Probation Officer positions.						
193	060	Equipment Purchase				36,260	21,484	*
		The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual equipment purchases.						
217	060	Equipment Purchase		14.0	14.0	36,260	21,484	14,776
		Reduce to the actual vendor quore for 14 Ergonomic Computer Workstations.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

rtment: JUV - Juvenile Probation

e	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
- Juvenile Hall								
3	001	Permanent Salaries- Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				5,550,504	5,252,053	*
9	001	Senior Counselor - Juvenile Hall Delete 0.5 FTE vacant 8322 Senior Counselor position, which has been vacant since July of 2002. With this reduction, the Juvenile Hall Program will still have 9.0 FTE 8322 Senior Counselor positions. Although the Juvenile Hall average daily population has been reduced by approximately 26.2 percent, from 122 in FY 1997-1998 to 90 in FY 2002-2003, Juvenile Hall staffing has only been reduced by approximately 4.3 percent, from 98.0 FTE in FY 2002-2003 to 93.75 FTE in FY 2002-2003. Yet, in FY 2003-2004, Juvenile Hall staffing will increase by 3 FTEs, to 96.75 FTEs, due to the transfer of three positions from Log Cabin Ranch.	8322	9.50	9.00	642,126	608,330	33,796

epartment: JUV - Juvenile Probation

Page			Position/ Equipment	Number		Amount		
No.	**Object**		**Number**	**From**	**To**	**From**	**To**	**Savings**
209	001	Counselor - Juvenile Hall	8320	80.25	75.25	4,247,697	3,983,042	264,655
		Delete 5.00 FTE vacant 8320 Counselor positions. With this reduction, the Juvenile Hall Program will still have 77.25 FTE 8320 Counselor positions. The Budget Analyst conservatively estimates that the Juvenile Probation Department can meet staffing needs with 75.75 FTE 8320 Counselor positions, which is 1.50 FTE less than the 77.25 FTE recommended by the Budget Analyst in the FY 2003-2004 budget. Additionally, the Budget Analyst concurs with the Department that, because 13 employees in the 8320 Juvenile Hall Counselor classification are on Workers Compensation leave, the Department will need to backfillup to 10 positions. The Budget Analyst beleives that the Department has sufficient budgeted funds in FY 2003-2004, including the excess 1.50 FTE 8320 Juvenile Hall Counselor, discussed above, plus Temporary Salaries, equal to approximately 8.50 FTE, to meet staffing needs.						
209	001	Attrition Savings	9993M	(11.53)	(10.85)	(602,589)	(566,803)	(35,786)
		Reduce Attrition Savings by $35,786, which maintains the Department's Attrition Savings rate of approximately 12 percent, to offset the proposed reduction of 5.5 FTEs in this program with reduced salary cost of $33,796 for the 0.5 FTE 8322 Senior Counselor and $264,655 for the 5.0 FTEs 8320 Counselor positions, for a total reduced salary cost of $298,451. The net savings is $262,665.						
198	013	Mandatory Fringe Benefits				1,440,514	1,390,608	49,906
		Corresponds to reduction in Permanent Salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-2004

artment: JUV - Juvenile Probation

ge	Object		Position/ Equipment Number	Number		Amount		
.				From	To	From	To	Savings
3	035	Other Current Expenses				18,000	14,750	3,250
		Reduce to reflect actual FY 2002-2003 expenditure for photocopy machine rental. Overall, the Department has budgeted $1,028,757 for Other Current Expenses.						

- Administration

ge	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2	001	Permanent Salaries- Misc.				2,639,711	2,618,252	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
3	001	Account Clerk	1630	0.50	0.00	22,433	0	22,433
		Eliminate 0.50 FTE 1630 Account Clerk position that has been vacant since October of 2001. With this reduction, the Department will continue to have 1.0 FTE 1632 Senior Account Clerk and 1.0 FTE 1634 Principal Account Clerk.						
4	001	Senior Administrative Analyst	1823	1.00	0.00	77,504	0	77,504
		Eliminate 1.00 FTE 1823 Senior Administrative Analyst position that has been vacant since July of 2001. With this reduction, the Department will continue to have 1.0 FTE 1824 Principal Administrative Assistant.						
3	001	Business Analyst - Senior	1053	1.00	0.75	85,835	64,376	21,459
		Reduce to reflect the projected hire date of October 1, 2003.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

epartment: JUV - Juvenile Probation

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
214	001	Attrition Savings - Misc.	9993M	(7.7)	(7.4)	(493,804)	(474,673)	(99,937)
		Reduce attrition savings to offset the deletion of 0.50 FTE 1630 Account Clerk, and 1.00 FTE 1823 Senior Administrative Analyst.						
202	013	Mandatory Fringe Benefits				519,249	515,172	4,077
		Corresponds to reduction in Permanent Salaries.						
203	060	Equipment Purchase				53,800	51,766	*
		The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual equipment purchases.						
219	060	Equipment Purchase				53,800	51,766	2,034
		Reduce to reflect actual vendor quote for two APC Netshelter Enclosures.						

AL Children's Baseline

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
205	009	Premium Pay				6,347	1,216	5,131
		Reduce to actual FY 2002-2003 expenditure level.						

Total Recommended Reductions $363,298

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: ENV – ENVIRONMENT

FINANCIAL DATA:

The Department of the Environment's proposed $9,421,334 budget for FY 2003-2004 is $1,643,692 or 14.85 percent less than the original FY 2002-2003 budget of $11,065,026. The net decrease from the revised FY 2002-2003 budget is $1,713,199 or 15.39 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2002-2003		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) 2002-2003
Program Expenditures	Original	Revised	2003-2004	Original Budget
URBAN FORESTRY	$ 1	$ 1	$ 24,929	$ 24,928
SOLID WASTE MANAGEMENT	675,354	744,861	929,401	254,047
ENVIRONMENT	1,380,345	1,380,345	1,474,223	93,878
CLEAN AIR	141,292	141,292	(3,218)	(144,510)
CLIMATE CHANGE / ENERGY	2,668,159	2,668,159	879,318	(1,788,841)
ENVIRONMENTAL JUSTICE	49,327	49,327	9,275	(40,052)
GREEN BUILDING	1,908	1,908	182,563	180,655
RECYCLING	2,231,988	2,231,988	2,191,535	(40,453)
TOXICS	823,916	823,916	874,319	50,403
ENVIRONMENT - OUTREACH	1,856,967	1,856,967	1,498,465	(358,502)
Net Expenditures	$ 9,829,257	$ 9,898,764	$ 8,060,810	$ (1,768,447)
Work Order Recoveries	1,235,769	1,235,769	1,360,524	124,755
Total Expenditures	$ 11,065,026	$ 11,134,533	$ 9,421,334	$ (1,643,692)

DEPARTMENT: **ENV – ENVIRONMENT**

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs for FY 2003-2004. The number of full-time equivalent positions budgeted for FY 2003-2004 is 49.62 FTEs, which is 2.19 FTEs more than the 47.43 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
URBAN FORESTRY	0.50	1.00	0.50
SOLID WASTE MANAGEMENT	2.95	2.94	(0.01)
ENVIRONMENT	10.21	11.07	0.86
ENVIRONMENTAL JUSTICE	0.00	0.25	0.25
CLEAN AIR	5.60	3.75	(1.85)
CLIMATE CHANGE / ENERGY	6.40	8.64	2.24
ENVIRONMENTAL JUSTICE	0.74	0.10	(0.64)
GREEN BUILDING	1.20	0.90	(0.30)
RECYCLING	6.90	6.90	0.00
TOXICS	5.78	6.10	0.32
ENVIRONMENT - OUTREACH	7.15	7.97	0.82
Totals	47.43	49.62	2.19

The net increase of 2.19 FTEs is due to the addition of two new grant-funded positions in the Climate Change/Energy program, budgeted at 1.50 FTE in FY 2003-2004, one new grant-funded position in the Toxics program, budgeted at 0.25 FTE in FY 2003-2004, and one new grant-funded position in the Outreach program, budgeted at 0.75 FTE in FY 2003-2004. These subject four (2.50 FTEs) new positions are 100 percent grant-funded and have been designated with a "G" in the Department's budget, reflecting that if the grants expire, the positions would be terminated. The 2.50 new FTEs, are offset by net adjustments totaling 0.31 FTE for the annualization of changes to the budget in FY 2002-2003 and for Attrition Savings and Temporary Salaries for FY 2003-2004.

DEPARTMENT REVENUES

Department revenues have decreased by $1,218,953 or 13.16 percent and General Fund support has decreased by $549,494 or 96.8 percent.

DEPARTMENT: **ENV – ENVIRONMENT**

DESCRIPTION

In FY 2003-2004, the Department's proposed budget shows a net decrease of $1,643,692, which is a result of the following changes: (a) Permanent and Temporary Salaries are increasing by a net $221,392 due to various reclassifications and substitutions, step adjustments, the addition of four new grant-funded positions and the annualization of new positions added to the Department in FY 2002-2003, (b) Mandatory Fringe Benefits is decreasing by $84,449, (c) Travel and Training are decreasing by a total of $7,628, (d) Employee Field Expenses, Membership Fees and Other Current Expenses expenditures are increasing by $83,017, (e) Materials & Supplies is increasing by $39,752, (f) Professional & Specialized Services is decreasing by $1,704,295, (g) Rent is decreasing by $62,080, (h) City Grants Programs is decreasing by $67,000, and (i) Services of Other Departments is decreasing by $62,401.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

epartment: ENV - Environment

Page No. IG	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
864	001	Permanent Salaries-Misc.				$15,228	$0	$15,228
		Delete the $15,228 in General Fund monies erroneously included in Permanent Salaries-Misc. This $15,228 from the General Fund duplicates $15,228 in expenditures for Permanent Salaries-Misc. already included in the Department's budget and funded by a grant for environmental justice programs in the Bayview/Hunters Point and Potrero Hill neighborhoods.						
864	013	Mandatory Fringe Benefits				3,080	0	3,080
		Corresponds to the reduction in Permanent Salaries - Misc.						
		Total Recommended Reductions						**$18,308**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **CPC – CITY PLANNING**

FINANCIAL DATA:

The Planning Department's proposed $13,585,699 budget for FY 2003-2004 is $483,758 or 3.7 percent more than the original FY 2002-2003 budget of $13,101,941. The net increase from the revised FY 2002-2003 budget is $442,305 or 3.4 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
LONG RANGE PLANNING	$ 2,504,828	$ 2,504,828	$ 2,505,146	$ 318
CURRENT PLANNING	7,248,283	7,248,283	7,607,545	359,262
ADMINISTRATION	2,933,206	2,974,659	2,681,575	(251,631)
Net Expenditures	$ 12,686,317	$ 12,727,770	$ 12,794,266	$ 107,949
Work Order Recoveries	415,624	415,624	791,433	375,809
Total Expenditures	$ 13,101,941	$ 13,143,394	$ 13,585,699	$ 483,758

DEPARTMENT: CPC – CITY PLANNING

DEPARTMENT PERSONNEL SUMMARY:

The Planning Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 143.91 FTEs, which is 7.47 FTEs more than the 136.44 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
LONG RANGE PLANNING	26.64	30.18	3.54
CURRENT PLANNING	88.91	92.84	3.93
ADMINISTRATION	20.89	20.89	0.00
LONG RANGE PLANNING	0.00	0.00	0.00
Totals	136.44	143.91	7.47

DEPARTMENT: **CPC – CITY PLANNING**

DEPARTMENT REVENUES

Department revenues are projected to increase by $2,522,267 or 29.4 percent due to $1,601,449 generated from pending increases to Planning Commission fees (File 03-0747 and 03-0748), offset by a $95,798 reduction in other operating revenues, and a $1,048,225 transfer from the Department of Building Inspection to reimburse the Planning Department for ongoing activities in the Long Range Planning Division, offset by slight reductions in other charges. General Fund support is projected to decrease by $2,414,318 or 58.6 percent.

In FY 2002-2003, the Planning Department is projected to generate $9,669,437 in revenues or $1,258,639 more than the FY 2002-2003 budgeted amount of $8,410,798. The Board of Supervisors has already appropriated a portion of this projected fund balance, or $714,075, pending Controller certification of revenue, for an Environmental Impact Review (EIR) and funding for one vacant position to monitor the EIR performed by an outside contractor for the proposed rezoning of the Eastern neighborhoods in the City. The Budget Analyst notes that because the Department is projecting a deficit in salaries and non salary expenditures, the overall FY 2002-2003 surplus is estimated to be $61,394.

DESCRIPTION

1. The net increase of $483,758 in the Planning Department's expenditures from the FY 2002-2003 budget of $13,101,941 to $13,585,699 is the following:
   - An increase of $1,050,335 in Permanent Salaries;
   - An increase of $40,992 in Temporary Salaries;
   - A decrease of $251,620 in Mandatory Fringe Benefits;
   - A decrease of $65,000 in Professional and Specialized Services;
   - A decrease of $40,000 in Other Current Expenses;
   - A decrease of $68,019 in Material and Supplies;
   - An increase of $30,501 in Service of Other Departments;
   - A decrease of $205,809 in Interdepartmental Recovery;
   - A decrease of $383,431 in Recovery for Services and other Operating Transfers Out; and
   - An increase of $375,809 in Work Order Recoveries.

2. The Planning Department has proposed no new positions. The increase of 7.47 FTEs previously noted is due to the following:
   - A **3.93** FTE increase in the Current Planning Division due to a reduction in attrition savings.
   - An additional **.60** FTE from annualizing a 5322 Graphic Artist positions that was hired in March of 2003, from .40 FTE in FY 2002-2003 to 1.0 FTE in FY 2003-2004, and a reduction in attrition savings of **2.94** FTEs in the Long Range Planning Division.

DEPARTMENT: CPC – CITY PLANNING

3. The Budget Analyst's June 2002 Management audit of the Planning Department recommended that the Department "streamline the management structure by reducing the number of management and supervisory positions." Following the detailed recommendations in the audit, we have recommended the deletion of 1 FTE filled manager position, the downward reclassification of 2 FTE filled supervisor positions, and the downward reclassification of 1 FTE vacant supervisor position, for a salary savings of $159,885. We consider our recommended deletions to be policy matters for the Board of Supervisors for those 3 FTE positions that are filled.

   The Planning Department currently has 17 vacant positions of its 143.91 FTEs or a 11.8 percent vacancy rate. Nine of these positions have been vacant for over a year. Our June 2002 audit reported that "the Department's Planner staff turnover rate increased every year since FY 1997-1998. Under the present Director of Planning, between July 2000 and September 2001, 25 staff planners, or approximately 30 percent of all staff planners, resigned due in part to better pay and opportunities elsewhere but also attributed by many former and current employees to low morale in the Department and a lack of management support." We have not recommended the deletion of any of these 11 vacant planner positions.

4. Our June 2002 Management Audit report stated that the Planning Department lacks accountability to the Board of Supervisors regarding actual use of funds appropriated. Our audit found that:

   > "The Planning Department management lacks accountability to the Board of Supervisors regarding actual use of funds appropriated, project priorities, project progress, and project timelines as exemplified by the Director's decision in FY 2001-2002 not to conduct environmental reviews of the Planning Department and Board of Supervisors-initiated projects that rely on General Fund support, although that activity was included in the Department's FY 2001-2002 Work Program provided to the Board of Supervisors prior to their approval of the FY 2001-2002 budget."

   To remedy this finding, our audit recommended that that the Planning Commission "require the Planning Director to provide a detailed reconciliation between the annual Work Program and the budget each year after the annual budget is adopted and to provide this to the Commission and the Board of Supervisors." The Planning Department has not implemented this recommendation.

   In the FY 2002-2003 budget, the Board of Supervisors added back $300,000 to fund three new FTE 5278 Planner II positions and one FTE 5322 Graphic Artist position to support long range planning efforts in the City's Eastern neighborhoods. However, of these funds, the Planning Department used only approximately $16,550 or 5.5 percent for its intended purpose. The remaining $283,450 was used to fund permanent salaries of existing planning staff. The three new FTE 5278 Planner II positions that the Board of Supervisors added in FY 2002-2003 remain vacant. We are recommending the deletion of these new positions and that the Board of Supervisors not appropriate additional monies for earmarked purposes to the Planning Department until the Planning Director

DEPARTMENT: **CPC – CITY PLANNING**

provides a detailed reconciliation between the annual Work Program and the budget to the Board of Supervisors, as previously recommended in the management audit report.

5. The Budget Analyst notes that the Planning Department has 27.75 FTEs that are coded Limited Duration or "L" positions. The total cost of salaries of these 27.75 FTE positions is $2,121,292 in FY 2002-2003. Fringe benefits, totaling $403,045 (calculated at 19 percent of salaries), bring the total annual cost for these positions to $2,524,337. Five of these 27.75 FTEs Limited Duration positions have salaries of more than $90,000.

   Positions are coded "L" when created if they are intended to exist for a limited duration, typically for the duration of a specific project, such as a bond funded project. The duration of such positions may be several years. The Budget Analyst has recommended to the Department that it be prepared to report back to the Budget Committee on June 26, 2003, on the status of these Limited Duration positions and provide a justification for retaining these positions.

6. The Planning Department has five City-owned automobiles. One of these automobiles is assigned to the Director of Planning; another is assigned to the Zoning Administrator, and the remaining three are not personally assigned. According to information provided by the Planning Department, the Director's vehicle is a 2000 model with 1,267 miles averaging 507 miles per year and the Zoning Administrator's vehicle is a 2002 model with 1,000 miles averaging 667 miles per year. The Budget Analyst notes that these two personally assigned vehicles are underutilized and would be better utilized in one of the City's vehicle pools. We recommend that the Administrative Services Department better utilize these two vehicles as part of the Citywide Fleet Management program.

epartment: CPC - City Planning

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
ong Range Planning (FAH)								
377	001	Permanent Salaries- Misc.				$ 1,549,374	$ 1,343,592	*
		* The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding individual classifications.						
384	001	Planner II	5278 A	4.25	1.25	291,524	85,742	$205,782
		Delete 3 FTE vacant 5278 Planner II positions added back to the FY 2002-2003 budget by the Board of Supervisors for long range planning efforts in the eastern neighborhoods of the City. These positions have never been filled. In fact, the Planning Department expended only approximately 5.5 percent or $16,550 of the entire add back cost of $300,000 for its intended purpose. The remaining $283,450 was used to fund permanent salaries of existing planning staff. Furthermore, no additional positions should be provided to the Planning Department until the Director submits a detailed reconciliation between the Department's annual Work Program and the budget each year after the annual budget is adopted, in accordance with our June 2002 Management Audit recommendation. Such reconciliation would permit the Board of Supervisors to ensure that future monies appropriated for specific purposes are expended as the Board of Supervisors intends.						
377	013	Mandatory Fringe Benefits				271,904	232,805	39,099
		Corresponds to the reductions in Permanent Salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2002-03

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artment: CPC - City Planning

rent Planning (FDP)

e .	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
)	001	Permanent Salaries- Misc.				6,346,614	6,139,044	*

* The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding individual classifications.

e .	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
3	001	Planner V	5283 L	1.00	0.00	114,490	0	114,490*

***As a policy decision**, delete a filled Limited Tenure "L" 5283 Planner V position for a salary savings of $114,490, consistent with a recommendation in the Budget Analyst's June 2002 audit of the Planning Department. The Department currently has seven Planner V positions, one of which oversees an administrative function (Information Services) as well as the Planning Information Center. The audit recommended placing oversight for the Information Services function with the Manager of Administration and Finance. The audit further recommended transferring the Planning Information Center to the Zoning Administrator and thus eliminating the need for one Planner V position. The Department currently has a total of 103.16 Planner positions, including 7 FTE Planner V positions, 21 FTE Planner IV positions, 46.18 FTE Planner III positions, 24.08 FTE Planner II positions, and 4.90 FTE Planner I positions.

The Budget Analyst notes that the Administration Division currently has 1 FTE vacant Planner IV position, one step below the filled Planner V position which we recommend the Board of Supervisors consider deleting as a policy matter.

e .	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
8	001	Senior Clerk Typist	1426 A	7.0	6.0	333,793	286,108	47,685

Eliminate one vacant FTE 1426 Senior Clerk Typist position which has been vacant since January 1, 2002, or for 1 year and 6 months. After the deletion of this position, the Department would still have 7 FTE 1426 Senior Clerk Typists.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2002-03

epartment: CPC - City Planning

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
889	001	Planner IV Environmental Review	5299 A	4.00	2.00	386,046	193,023	193,023*
889	001	Planner III Environmental Review	5298 A	10.00	12.00	813,795	976,554	(162,759)*

***As a policy decision**, in the Major Environmental Analysis unit, reclassify 2.00 FTE Planner IV Environmental Review positions downward to Planner III Environmental Review positions for a total annual salary savings of $30,264 for the two positions. This recommendation is consistent with the Budget Analyst's June 2002 Management Audit of the Planning Department.

The June 2002 Management Audit recommended this reclassification because the Major Environmental Analysis unit staff includes one supervisor for every 3.20 FTE line staff, as compared to the median for the rest of the Department of one supervisor for every 6.50 FTE line staff positions. The audit found that the nature of the work in the Major Environmental Analysis unit does not justify this higher level of supervisory staffing. The recommended reclassification would make the level of supervisory staffing in the Major Environmental Analysis unit more consistent with supervisory staffing levels in other units of the Department.

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
889	001	Planner IV, Transportation	5293 L	2.00	1.00	193,022	96,511	96,511
		Planner III	5291 L	4.75	5.75	386,553	467,933	(81,380)

Reclassify 1.00 FTE Planner IV, Transportation Limited Tenure position which has been vacant since August 23, 2002, downward to a Planner III Limited Tenure position for a FY 2003-2004 salary savings of $15,131. This recommendation is consistent with the Budget Analyst's June 2002 audit of the Planning Department that states "reclassify downward three Planner IV positions to three Planner III positions from the Department's budget when attrition allows."

age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
880	013	Mandatory Fringe Benefits				1,128,351	1,116,416	11,935

Corresponds to the reductions in Permanent Salaries.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2002-03

artment: CPC - City Planning

ge .	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
3	06000	Equipment Purchase	25	25.0	0.0	50,000	0	50,000
		The Department purposes to purchase 25 desktop computers as replacement computers for 25 computers that are more than 3 years old. This equipment purchase is not justified in a constrained budget year.						
ninistration - FEF								
1	001	Permanent Salaries- Misc				1,606,999	1,535,694	*
		* The recommended reduction in Permanent Salaries- Misc. is the total of the following specific recommendations regarding individual classifications.						
	001	Senior Management Assistant	1844 A	1.0	0.0	71,305	0	71,305
		Eliminate one vacant FTE Senior Management Assistant position which has been vacant since June 30, 2001, or for 2 years.						
0	013	Mandatory Fringe Benefits				1,128,351	1,114,803	13,548
		Corresponds to the reductions in Permanent Salaries.						
		Total Recommended Reductions						$ 626,742

Items 6 and 7 - Files 03-0747 and 03-0748

Department: Planning Department

Items: Ordinance amending the San Francisco Administrative Code by amending Chapter 31, Article IV to increase environmental review fees for service, and make environmental findings (File 03-0747).

Ordinance amending the San Francisco Planning Code by amending Article 3.5 to increase fees for services, and making environmental findings (File 03-0748).

Description: File 03-0747: The proposed ordinance would increase all of the existing environmental review fees by an average of 10 percent, as follows:

- An initial study of a proposed construction project excluding the use of special expertise or technical assistance;
- Preparation of an environmental impact report excluding the use of special expertise or technical assistance;
- An appeal to the Planning Commission;
- Preparation of an addendum to an environmental impact report that has been previously certified;
- Preparation of a supplement to a draft or certified final environmental impact report;
- Reevaluation of a modified construction project for which a negative declaration has been prepared;
- Preparation of a Certificate of Exemption from Environmental Review;
- Preparation of a letter of exemption from environmental review;
- Reactivating an application that had been withdrawn due to inactivity or the passage of time; and
- An appeal to the Board of Supervisors of certification of an Environmental Impact Report.

The proposed ordinance (File 03-0747) would also add three new fees of $230 for appeals to the Board of Supervisors related to environmental reviews, as follows:

- An appeal to the Board of Supervisors of a Final Negative Declaration;

- An appeal to the Board of Supervisors of a Categorical or Statutory Exemption;
- An appeal to the Board of Supervisors of an Addendum to an Environmental Impact Report.

File 03-0748: The proposed ordinance would increase all existing general planning fees, by an average of 10 percent which are used by the Planning Department to fund the cost of providing services to residents, businesses and others involved in the planning application process. General planning fees would be increased within the class of fees listed below:

- Miscellaneous Services;
- Commission and Zoning Administrator Hearing Applications;
- Downtown Applications;
- Permit Applications;
- Preservation Applications; and
- Transportation Review Associated with Project Applications.

The proposed ordinance (File 03-0747) would also add three new planning fees including a $375 fee plus time and materials to revise an Institutional Master Plan, and a $224 fee plus time and materials to create a report for or update of an Institutional Master Plan. Additionally, the proposed ordinance would add one other new fee of one-half the cost of a building permit, for a solar panel installation permit, or $100 for an over-the-counter solar panel installation permit.

The revenues to be collected from the proposed subject general planning and environmental review fees are departmental revenues that reduce General Fund support. The Planning Department last increased these fees in 1995.

Both of the subject ordinances would also add findings that the ordinances are in compliance with the California Environmental Quality Act (CEQA).

Comments:

1. In June of 2002, based on a management audit of the Planning Department, the Budget Analyst found that actual costs of processing applications, including direct staff time, appropriate indirect costs such as information systems

support, and related long range planning and administrative support, are not properly accounted for in the existing Planning Department fees. The Budget Analyst's management audit report also found that most of the Department's fees currently recover more than the related costs using the Department's current cost estimating techniques, contrary to State law. State law mandates that revenue from such Planning fees cannot exceed the actual costs incurred in processing the applications. The Budget Analyst's management audit further found that documentation of the fee-structure process will serve to avert litigation, render the fees defensible and provide a framework for allocating a proportional share of long-range planning costs to the fees for current development. The Budget Analyst therefore recommended in the June of 2002 management audit that the Planning Department 1) develop and adopt policies that clearly delineate the overall approach to establishing and regularly adjusting the schedule of fees for planning services, while specifying an approach based on total actual costs, and 2) develop a method for establishing all fees and propose fee adjustments that are based on actual historic staff costs and appropriate indirect costs. As of the writing of this report, the Department has provided no documentation to the Budget Analyst that they have implemented any of the recommendations contained in the management audit.

2. The Department's FY 2003-2004 budget is balanced based on estimated revenues generated from the proposed fee increases of $1,601,449 (including the subject proposed fee increases in File 03-0747 and proposed environmental fee increases in File 03-0748). While the FY 2003-2004 proposed budget includes an increase in fee revenues of $1,601,449, the Attachment to this report provided by Mr. Costolino Hogan of the Planning Department, shows only an increase of $1,320,213. As of the writing of this report, the Planning Department did not provide information to explain this discrepancy. Based on the information provided from the Controller's Office, this $1,601,449 increase in fee revenues reflects the change in total revenue from $7,615,000 in FY 2002-2003 to $9,216,449 in FY 2003-2004. According to the Controller's Office, the Department's actual FY 2002-2003 fee revenue, based on its existing fees, is projected to be

approximately $8.6 million, or $1.0 million greater than the $7,615,000 originally budgeted.

As previously noted, the revenues to be collected from the proposed subject general planning and environmental review fees are departmental revenues that reduce General Fund support. The Planning Department last increased these fees in 1995.

3. In accordance with the Mayor's and the Controller's Budget Instructions for FY 2003-2004, City departments that are proposing increases in fees and/or service charges in FY 2003-2004 were required to submit cost recovery data and information to the Controller's Office by January 10, 2003. The Budget Analyst's Office also requested similar cost details and data to determine whether the Department's operating and administrative costs to provide each Planning service would be supported by the proposed fees. As of the writing of this report, no detailed cost data was provided by the Planning Department to either the Controller's Office or the Budget Analyst's Office.

4. Although the Planning Department could not provide any cost data on the individual costs to provide each of these services, the Attachment, provided by Mr. Hogan, indicates that, if the subject fees are increased as proposed, from ten percent to 87 percent, the recovery of costs would range from seven percent to 493 percent.

The Budget Analyst notes that, according to Mr. John Malamut of the City Attorney's Office, the City's fees cannot exceed the City's costs of providing services, pursuant to the California Constitution, Article 13A. The proposed general planning and environmental review fees for Planning Department services must be less than or equal to the costs of providing each service for which each fee is assessed.

5. The Budget Analyst notes that the Planning Department's proposed FY 2003-2004 budget is balanced based on projected revenues generated from the proposed fee increases. The Budget Analyst therefore recommends that the Planning Department immediately provide the Budget Committee, the Controller and the Budget Analyst with operating and administrative costs that support each

proposed fee increase. The Budget Analyst further recommends that the Budget Committee place on reserve $1,601,449, representing the additional fee revenues to be realized, from the Planning Department's FY 2003-2004 salary expenditures, pending the submission of operating and administrative costs that support each proposed fee increase.

Recommendations:

1. In accordance with Comment No. 5, direct the Planning Department to immediately provide the Budget Committee, the Controller and the Budget Analyst with operating and administrative costs related to each proposed fee increase.

2. Also in accordance with Comment No. 5, reserve $1,601,449, representing the additional fee revenues to be realized, from the Planning Departments FY 2003-2004 permanent salary expenditures, pending the submission of operating and administrative costs related to each proposed fee increase.

3. Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Attachment

Department: Planning - 29

Fee Title	Current Fee Level	Proposed Fee Level	Percent Increase	Current Proj. 2002-03 Revenue	Proposed Revenue with Increased Fee	Increased Revenue	Percentage Increase	Cost of Providing Service	Percentage of Cost Recovery with Proposed Fee Increase
Variances	Based on Valuation		10%	$ 601,278	$ 661,406	$ 60,128	10%	$ 390,842	169%
Conditional Use	Based on Valuation		10%	$ 1,645,806	$ 1,810,386	$ 164,581	10%	$ 612,879	295%
Downtown Ctrl. Excep	$ 5,000	$ 5,500	10%	$ 512,298	$ 563,527	$ 51,230	10%	$ 114,326	493%
Environmental Rev.	Based on Valuation		10%	$ 1,439,440	$ 1,583,384	$ 143,944	10%	$ 2,007,986	79%
Trans. Studies	$ 5,680	$ 6,248	10%	$ 63,317	$ 69,649	$ 6,332	10%	$ 159,492	44%
Building Permits	Based on Valuation		10%	$ 3,957,033	$ 4,748,440	$ 791,407	20%	$ 1,669,423	284%
Cert. of Approp.	Based on Valuation		10%	$ 150,405	$ 165,446	$ 15,041	10%	$ 47,170	351%
Shadow Study	$ 200	$ 220	10%	$ 11,012	$ 12,113	$ 1,101	10%	$ 41,584	29%
Dis. Review	$ 125	$ 200	60%	$ 26,063	$ 39,790	$ 13,727	53%	$ 608,150	7%
Project Review	$ 105	$ 200	90%	$ 42,457	$ 77,564	$ 35,107	83%	$ 133,040	58%
General Plan Referral	$ 214	$ 300	40%	$ 4,004	$ 4,404	$ 400	10%	$ 57,825	8%
Stat. of Eligibility App.	$ 500	$ 550	10%	$ 697	$ 767	$ 70	10%	$ 5,423	14%
Annual Limit Comp.	$ 15,000	$ 16,500	10%	$ 39,710	$ 43,681	$ 3,971	10%	$ 101,466	43%
App. for Cert. of Trans.	$ 264	$ 290	10%	$ 2,200	$ 2,420	$ 220	10%	$ 5,423	45%
Zoning Admin. Letters	$ 100	$ 200	100%	$ 24,916	$ 46,474	$ 21,558	87%	$ 195,424	24%
Block Notifications	$ 25	$ 50	100%	$ 3,681	$ 4,049	$ 368	10%		
Permit to Alter/Prop. M	Based on Valuation		10%	$ 12,284	$ 13,512	$ 1,228	10%	$ 9,285	146%
Zoning Text Change	$ 3,000	$ 3,300	10%	$ -	$ -	$ -			
Application of TDR	$ 500	$ 550	10%	$ 1,459	$ 1,605	$ 146	10%	$ 7,776	21%
Building Redesignation	$ 670	$ 737	10%	$ 1,400	$ 1,540	$ 140	10%		
Landmark/Historic Dist.	$ 250	$ 275	10%	$ 500	$ 550	$ 50	10%		
Sect. 311/312				$ 86,828	$ 95,510	$ 8,683	10%		
Other				$ 7,827	$ 8,610	$ 783	10%		
Totals	[redacted]			$ 8,634,616	$ 9,954,829	$ 1,320,213			

DEPARTMENT: **AGE – ADULT AND AGING SERVICES**

FINANCIAL DATA:

The Adult and Aging Services proposed $30,064,466 budget for FY 2003-2004 is $946,103 or 3.1 percent less than the original FY 2002-2003 budget of $31,010,569. The net decrease from the revised FY 2002-2003 budget is $1,845,216 or 5.8 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2002-2003		Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
Program Expenditures	**Original**	**Revised**		
ADMINISTRATION	$ 2,882,444	$ 2,882,444	$ 2,679,816	$ (202,628)
SERVICES TO FRAIL ELDERS	5,920,199	5,920,199	5,942,861	22,662
SENIORS INDEPENDENT	7,635,868	7,635,868	7,520,088	(115,780)
ACCESS TO SERVICES	2,110,641	3,009,754	4,118,352	2,007,711
SENIOR CENTRAL DEVELOPMENT	1,332,684	1,332,684	-	(1,332,684)
FEDERALLY MANDATED OFFICE ON THE AGING	1,068,367	1,068,367	963,336	(105,031)
PUBLIC ADMINISTRATOR	1,662,738	1,662,738	1,166,776	(495,962)
PUBLIC GUARDIAN / CONSERVATOR	3,199,859	3,199,859	2,790,996	(408,863)
ADULT SERVICES	1,565,443	1,565,443	1,329,415	(236,028)
Net Expenditures	$ 27,378,243	$ 28,277,356	$ 26,511,640	$ (866,603)
Work Order Recoveries	3,632,326	3,632,326	3,552,826	(79,500)
Total Expenditures	$ 31,010,569	$ 31,909,682	$ 30,064,466	$ (946,103)

Department: **AGE – ADULT AND AGING SERVICES**

DEPARTMENT PERSONNEL SUMMARY:

The Department has budgeted for three layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 143.11 FTEs, which is 9.39 FTE more than the FTEs in the original FY 2002-2003 budget.

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
ADMINISTRATION	19.72	17.56	(2.16)
SERVICES TO FRAIL ELDERS	0.00	4.60	4.60
ACCESS TO SERVICES	2.73	19.33	16.60
FEDERALLY MANDATED OFFICE ON THE AGING	10.53	9.54	(0.99)
PUBLIC ADMINISTRATOR	18.96	13.30	(5.66)
PUBLIC GUARDIAN / CONSERVATOR	38.89	36.87	(2.02)
ADULT SERVICES	42.89	41.91	(0.98)
Totals	133.72	143.11	9.39

On July 1, 2003, the Senior Escort Program, a transportation assistance program for the elderly, will be transferred from the Police Department to the Adult and Aging Services Department. Included in the transfer are 16 FTE 8482 Crime Prevention Workers, one FTE 8484 Supervising Crime Prevention Worker, and one FTE 8488 Crime Prevention Program Director. The total increase in FTEs in FY 2003-2004 is 9.39, which includes transfer of 18 Senior Escort Program positions from the Police Department to the Department of Adult and Aging Services, deletion of 10 existing positions resulting in the lay-off of three employees, and adjustments to attrition savings.

Department: AGE – ADULT AND AGING SERVICES

DEPARTMENT REVENUES

Department revenues have decreased by $617,417 or 3.06 percent and General Fund support has decreased by $249,186 or 3.46 percent.

DESCRIPTION

In FY 2003-2004, the Adult and Aging Services Department's proposed budget expenditures of $30,064,466 are $946,103 less than the original FY 2002-2003 budget of $31,010,569. Major changes in expenditures include the following:

- $42,463 net decrease in Salaries and Fringe Benefits;
- $909,606 net decrease resulting from an increase in Professional and Specialized Services offset by a decrease in City Grant Programs.
- A $542,373 net decrease in other expenditures, such as travel, training and building maintenance; and
- $548,339 increase in Services of Other Departments. The increase in Services of Other Departments includes $108,000 increase in Workers Compensation and $511,225 in Real Estate Division services, offset by reductions of $70,886 in other services.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

epartment: **AGE - Aging and Adult Services**

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
IA - Administration								
1715	001	Permanent Salaries- Misc.				$ 1,163,228	$1,040,161	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
1733	001	Attrition Savings - Misc.	9993M	1.6	5.6	(101,497)	(224,564)	123,067
		Increase Attrition Savings by $123,067 to reflect the projected surplus in 001 Salaries of $214,965 for FY 2002-2003 less the anticipated hire of one vacant 1131 Asst. Public Administrator position at a salary cost of $91,898 in FY 2003-2004,						
1715	013	Mandatory Fringe Benefits				217,534	194,151	23,383
		Corresponds to the reductions in Permanent Salaries - Misc.						
IK - Public Guardian/Conservator								
1730	001	Permanent Salaries- Misc.				2,280,427	2,238,173	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

rtment: AGE - Aging and Adult Services

			Position/ Equipment	Number		Amount		
	Object		**Number**	**From**	**To**	**From**	**To**	**Savings**
	001	Transcriber Typist	1430A	2.0	1.0	95,369	47,685	47,684
		Eliminate 1.00 FTE 1430 Transcriber Typist position that has been vacant since December of 2001. With this reduction, the Public Guardian/Conservator program will still have 1.00 FTE 1430 Transcriber Typist position, 1.00 FTE 1432 Senior Transcriber Typist position, and 7.00 FTE 1426 Senior Clerk Typist positions.						
1	001	Attrition Savings - Misc.	9993M	1.97	1.9	(129,674)	(124,244)	(5,430)
		Reduce Attrition Savings to maintain the current Attrition Savings rate.						
	013	Mandatory Fringe Benefits				434,697	426,669	8,028
		Corresponds to the reductions in Permanent Salaries - Misc.						
		Total Recommended Reductions						**$ 196,732**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: CRT – TRIAL COURTS

FINANCIAL DATA:

The Trial Courts' (Superior Court's) proposed $39,878,785 budget for FY 2003-2004 is $374,723 or 0.9 percent less than the original FY 2002-2003 budget of $40,253,508. The net decrease from the revised FY 2002-2003 budget is $684,013 or 1.7 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
PROGRAM	$ 401,500	$ 401,500	$ 353,746	$ (47,754)
SUPERIOR COURT SERVICES	-	133,000	221,518	221,518
JURY	6,828,582	6,828,582	7,081,516	252,934
COURT HOUSE DEBT SERVICE	6,562,140	6,562,140	5,476,666	(1,085,474)
CHILD SUPPORT SERVICES - TRIAL COURTS	1,504,777	1,504,777	1,559,208	54,431
TRIAL COURT SERVICES	24,956,509	25,132,799	25,186,131	229,622
Total Expenditures	$ 40,253,508	$ 40,562,798	$ 39,878,785	$ (374,723)

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 18.5 FTEs, which is unchanged from the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CHILD SUPPORT SERVICES - TRIAL COURTS	17.50	17.50	-
TRIAL COURT SERVICES	1.00	1.00	-
Totals	18.5	18.5	-

DEPARTMENT: CRT – TRIAL COURTS

DEPARTMENT REVENUES

Department revenues have decreased by $1,944,710 or 18.9 percent and General Fund support has decreased by $1,443,723 or 3.4 percent.

DESCRIPTION

Only the Board of Supervisors, and not the Mayor, has the authority to reduce the budget of the Superior Court. Under State law, the Board of Supervisors has authority over only a portion of the total Superior Court budget. For FY 2003-2004, the Board of Supervisors has review and approval authority over $39,878,785 of the Superior Court's total proposed budget of $112,424,628, with the balance of $72,545,843 provided by State Trial Court funds.

The Superior Court's Indigent Defense Program receives referrals from the Public Defender if the Public Defender determines that a conflict of interest would result if the Public Defender were to serve as the defense attorney. The Superior Court appoints a private defense attorney through the Indigent Defense Program. The number of referrals from the Public Defender to the Indigent Defense Program increased by 1,937 cases, or 32.7 percent, from 5,928 cases in FY 2001-2002 to 7,865 cases in FY 2002-2003. Although the Public Defender generally only refers cases to the Indigent Defense Program if an ethical conflict exists, the Public Defender has referred cases to the Indigent Defense Program because of lack of adequate staffing or high caseloads. In FY 2003-2004, the Public Defender has requested 17 new positions, which, according to the Public Defender, will result in an estimated reduction in referrals to the Indigent Defense Program of approximately 1,421 cases or 18.1 percent, from 7,865 referrals in FY 2003-2004 to an estimated 6,444 referrals in FY 2003-2004.

In FY 2002-2003, Indigent Defense Program expenditures were $8,006,400, which included $6,806,400 in the original FY 2002-2003 budget plus a supplemental appropriation of $1,200,000. Because the Public Defender expects to refer fewer cases to the Indigent Defense Program, the FY 2003-2004 Indigent Defense Program budget of $6,976,852 is $1,029,548, or 12.9 percent, less than the FY 2002-2003 total expenditures of $8,006,400. The Indigent Defense Program is funded entirely by the City's General Fund.

In FY 2003-2004, the Department is proposing a new contract with the San Francisco Bar Association, selected on a sole source base, to administer the Indigent Defense Program. The Department has included $371,000 as part of the $6,976,852 Indigent Defense Program FY 2003-2004 budget for the proposed contract. Previously, staff funded by State Trial Court monies administered the processing of and paid the bills submitted by private attorneys who provided Indigent Defense Program services. In addition, the San Francisco Bar Association recruited private attorneys for the Indigent Defense Program and reviewed selected private attorney billings if Superior Court staff identified possible overcharges or billing errors. Under the new proposed contract, the San Francisco Bar

Association would be responsible for administering the Indigent Defense Program, including performing billing functions previously performed by Superior Court staff. The Budget Analyst recommends reserving $371,000 for the proposed contract with the San Francisco Bar Association, pending submission of the contract and budget details to the Board of Supervisors, including performance measures and contract incentives to improve Indigent Defense Program cost efficiencies.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

epartment: Trial Courts

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
rogram: Indigent Defense/ Grand Jury								
1	021	Travel In FY 2002-2003 the Department has not had any travel expenditures for this specific program. Overall, the Superior Court has budgeted $25,678 for Travel. Our recommendation will still provide the Superior Court with $20,705 for travel.				$4,973	$0	$4,973
1	026	Court Fees and Other Compensation In FY 2003-2004, the Department has included $6,976,852 for Indigent Defense Program expenditures, which includes $371,000 for a new proposed contract with the San Francisco Bar Association, selected on a sole source basis, to administer the Indigent Defense Program. * The Budget Analyst recommends reserving the proposed contract amount of $371,000 with the San Francisco Bar Association, which is included in the requested $6,976,852, pending submission of the proposed contract and budget details to the Board of Supervisors.				6,976,852	6,976,852	*

artment: Trial Courts

e	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
	081	Services of Other Departments				87,742	0	87,742

The Department has included $87,742 of General Fund monies in the Grand Jury budget for the first time to pay for a Court Supervisor I, which provides administrative assistance to the Civil Grand Jury. This position has been previously funded from State Trial Court monies, and not from the General Fund. State Trial Court funds and not General Fund monies should continue to pay for this position. As previously noted, the Superior Court will receive $112,424,628 in State Trial Court funds.

m: Child Support Services - Trial Courts

Object		Amount From	Amount To	Savings
001	Permanent Salaries - Misc.	1,233,076	1,183,844	*

* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

epartment: Trial Courts

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
0	9993M	Attrition Savings - Misc. Increase attrition savings to equal 4 percent of salaries. The Department did not budget for attrition savings, although the FY 2002-2003 projected salary surplus is $118,000, which is approximately 9.8 percent of FY 2002-2003 budgeted salaries of $1,202,165. Our recommendation would only impose a 4 percent attrition savings as compared to the projected 9.8 percent salary savings to be achieved in FY 2002-2003.				0	(49,232)	49,232
5	013	Mandatory Fringe Benefits Corresponds to the reductions in Permanent Salaries - Misc.				305,839	296,485	9,354
		Total Recommended Reductions						**$151,301**
		Total Recommended Reserves						**$371,000**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: ASR - ASSESSOR/RECORDER

FINANCIAL DATA:

The Assessor/Recorder's proposed $12,130,645 budget for FY 2003-2004 is $493,056 or 4.24 percent more than the original FY 2002-2003 budget of $11,637,589. The net increase from the revised FY 2002-2003 budget is also $493,056 or 4.24 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
RECORDER	$ 2,531,618	$ 2,531,618	$ 2,906,788	$ 375,170
REAL PROPERTY	2,513,928	2,513,928	2,813,988	300,060
PERSONAL PROPERTY	2,237,454	2,237,454	2,178,914	(58,540)
TECHNICAL SERVICES	971,307	971,307	713,195	(258,112)
TAX ASSESSMENT	3,135,686	3,135,686	3,270,164	134,478
Net Expenditures	$ 11,389,993	$ 11,389,993	$ 11,883,049	$ 493,056
Work Order Recoveries	247,596	247,596	247,596	-
Total Expenditures	$ 11,637,589	$ 11,637,589	$ 12,130,645	$ 493,056

Department: **ASR - Assessor/Recorder**

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs for FY 2003-2004. The number of full-time equivalent positions budgeted for FY 2003-2004 is 118.60 FTEs, which is 2.59 FTEs less than the 121.19 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
RECORDER	26.72	28.24	1.52
REAL PROPERTY	31.51	33.42	1.91
PERSONAL PROPERTY	26.58	26.60	0.02
TECHNICAL SERVICES	14.48	11.01	(3.47)
TAX ASSESSMENT	21.90	19.33	(2.57)
Totals	121.19	118.60	(2.59)

DEPARTMENT REVENUES

Department revenues have increased by $1,123,943 or 30.1 percent and General Fund support has decreased by $630,887 or 8.2 percent.

DESCRIPTION

In FY 2003-2004, the Department's proposed budget shows a net increase of $493,056, which is a result of the following changes: (a) Permanent Salaries is increasing by $190,752 due to various reclassifications and substitutions and step adjustments, (b) Mandatory Fringe Benefits is decreasing by $333,289, (c) Overhead expenditures are decreasing by $42,194, (d) Travel and Training are decreasing by a total of $30,567, (e) Materials & Supplies is decreasing by $30,532, (f) Professional & Specialized Services is increasing by $277,333, which is mainly due to the maintenance agreements for the Assessor's database management system and the City's records management system, (g) Rent is increasing by $6,000, (h) Other Current Expenses is increasing by $255,380, which is largely related to assessment appeals, and (i) Equipment Purchase is increasing by $128,650 for an image scanning and conversion system.

Department: **ASR - Assessor/Recorder**

COMMENTS

1. The Department is proposing a total of 14 upward substitutions and 7 downward substitutions. The Budget Analyst is recommending approval of (a) 7 of the proposed 14 upward substitutions, and (b) all of the downward substitutions. The Budget Analyst recommends disapproval of 7 of the 14 upward substitutions. These 7 substitutions result in a net increase to Permanent Salaries in FY 2003-2004 of $50,272, including a Chief Assistant Assessor at a salary cost of $117,522 going to a Deputy Director III at a salary cost of $129,306, or an increase of $11,784, which would be a promotion to an existing employee. The Budget Analyst recommends disapproval of these 7 upward substitutions because the Department has not justified that the substitutions are legally mandated, will produce revenue or will achieve cost savings. The Budget Analyst concludes that the Assessor's reorganization can be readily effected without the necessity of approving 7 of the 14 requested upward substitutions (7.00 FTEs), which would provide salary increases and promotions and would result in increased salaries and benefits costs of $59,823 on an annual basis. We are however recommending approval of the remaining 7 of the requested 14 upward substitutions.

2. The Department previously requested a supplemental appropriation totaling $543,799 for FY 2002-2003. On March 28, 2003, the Finance and Audits Committee approved the supplemental appropriation for $543,799 and placed $40,790 of the funds on reserve. The Department now states that it has sufficient salary funds and has withdrawn its request for the $40,790 placed on reserve. Therefore, the subject reserved funds in the amount of $40,790 would be available to the Board of Supervisors for appropriation for priorities in the FY 2003-2004 budget.

3. The Mayor's budget provides an increase of $493,056. Our recommended reductions, which total $73,624, would still allow an increase of $419,432 or 3.60 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: ASR - Assessor/Recorder

Page No. FCG	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
2800	001	Permanent Salaries - Misc				$618,441	$612,510	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2810	001	Principal Administrative Analyst	1824	(1.0)	0.0	(90,580)	0	($90,580)
2810	001	Manager III	0923	1.0	0.0	96,511	0	96,511
		Disapprove this upward substitution for a currently filled position. This substituted position neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. The Budget Analyst concludes that the Assessor's reorganization can be readily effected without the necessity of approving 7 of the 14 requested upward substitutions, which would provide salary increases and promotions and would result in increased salaries and benefits costs of $59,823 on an annual basis. We are however recommending approval of the remaining 7 of the requested 14 upward substitutions.						
2800	013	Mandatory Fringe Benefits				124,277	123,150	1,127
		Corresponds to reduction in salaries.						
2800	040	Materials & Supplies				12,550	2,000	10,550
		Reduce to actual FY 2002-2003 expenditure level, adjusted for cost of living. Overall, the Department has budgeted $167,259 for Materials & Supplies.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

tment: ASR - Assessor/Recorder

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
04	001	Permanent Salaries - Misc				$2,286,520	$2,278,902	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
13	001	Principal Admin Analyst	1824	(1.0)	0.0	(90,580)	0	($90,580)
13	001	Manager III	0923	1.0	0.0	96,511	0	96,511
		Disapprove this upward substitution. This substituted position neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. The Budget Analyst concludes that the Assessor's reorganization can be readily effected without the necessity of approving 7 of the 14 requested upward substitutions, which would provide salary increases and promotions and would result in increased salaries and benefits costs of $59,823 on an annual basis. We are however recommending approval of the remaining 7 of the requested 14 upward substitutions.						
13	001	Chief Appraiser	4269	(1.0)	0.0	(94,824)	0	(94,824)
13	001	Manager III	0923	1.0	0.0	96,511	0	96,511
		Disapprove this upward substitution. This substituted position neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. The Budget Analyst concludes that the Assessor's reorganization can be readily effected without the necessity of approving 7 of the 14 requested upward substitutions, which would provide salary increases and promotions and would result in increased salaries and benefits costs of $59,823 on an annual basis. We are however recommending approval of the remaining 7 of the requested 14 upward substitutions.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

epartment: ASR - Assessor/Recorder

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2800	013	Mandatory Fringe Benefits				124,277	122,830	1,447
		Corresponds to reduction in salaries.						
804	035	Other Current Expenses				19,000	15,750	3,250
		Reduce to actual FY 2002-2003 expenditure level, adjusted for cost of living.						
DK								
2805	001	Permanent Salaries - Misc				$1,789,632	$1,780,590	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2815	001	Chief Personal Property Auditor	4226	(1.0)	0.0	(94,824)	0	($94,824)
2815	001	Deputy Director II	952	1.0	0.0	103,866	0	103,866
		Disapprove this upward substitution. This substituted position neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. The Budget Analyst concludes that the Assessor's reorganization can be readily effected without the necessity of approving 7 of the 14 requested upward substitutions, which would provide salary increases and promotions and would result in increased salaries and benefits costs of $59,823 on an annual basis. We are however recommending approval of the remaining 7 of the requested 14 upward substitutions.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

tment: **ASR - Assessor/Recorder**

ge o.	Object		Position/ Equipment Number	Number From	 To	Amount From	 To	Savings
05	013	Mandatory Fringe Benefits				340,316	338,598	1,718
		Corresponds to reduction in salaries.						
EH								
07	001	Permanent Salaries - Misc				$883,064	$855,383	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
	001	Senior Administrative Analyst	1823	(1.0)	0.0	(77,504)	0	($77,504)
17	001	Manager II	0922	1.0	0.0	89,710	0	89,710
		Disapprove this upward substitution. This substituted position neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. The Budget Analyst concludes that the Assessor's reorganization can be readily effected without the necessity of approving 7 of the 14 requested upward substitutions, which would provide salary increases and promotions and would result in increased salaries and benefits costs of $59,823 on an annual basis. We are however recommending approval of the remaining 7 of the requested 14 upward substitutions.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: ASR - Assessor/Recorder

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
2817	001	Chief of Assessment Standards	4256	(1.0)	0.0	(86,019)	0	(86,019)
2817	001	Manager II	0922	1.0	0.0	89,710	0	89,710

Disapprove this upward substitution. This substituted position neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. The Budget Analyst concludes that the Assessor's reorganization can be readily effected without the necessity of approving 7 of the 14 requested upward substitutions, which would provide salary increases and promotions and would result in increased salaries and benefits costs of $59,823 on an annual basis. We are however recommending approval of the remaining 7 of the requested 14 upward substitutions.

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
2818	001	Chief Assistant Assessor	4282	(1.0)	0.0	(117,522)	0	(117,522)
2817	001	Deputy Director III	0953	1.0	0.0	129,306	0	129,306

Disapprove this upward substitution. This substituted position neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. This would result in a $11,784 salary increase to an existing employee. The Budget Analyst concludes that the Assessor's reorganization can be readily effected without the necessity of approving 7 of the 14 requested upward substitutions, which would provide salary increases and promotions and would result in increased salaries and benefits costs of $59,823 on an annual basis. We are however recommending approval of the remaining 7 of the requested 14 upward substitutions.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

ment: ASR - Assessor/Recorder

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
07	013	Mandatory Fringe Benefits				$149,654	$144,395	$5,259
		Corresponds to reduction in salaries.						
		Total Recommended Reductions						$73,624
		Reserves Withheld						$40,790

The Department previously requested a supplemental appropriation totaling $543,799 for FY 2002-2003. On March 28, 2003, the Finance and Audits Committee approved the supplemental appropriation for $543,799 and placed $40,790 of the funds on reserve. The Department now states that it has sufficient salary funds and has withdrawn its request for the $40,790 placed on reserve. Therefore, the subject reserved funds in the amount of $40,790 would be available to the Board of Supervisors for appropriation for priorities in the FY 2003-2004 budget.

DEPARTMENT: **REC – RECREATION AND PARK COMMISSION**

FINANCIAL DATA:

The Recreation and Park Commission proposed $103,936,767 budget for FY 2003-04 is $8,378,677 or 7.5 percent less than the original FY 2002-03 budget of $112,315,444. The net decrease from the revised FY 2002-2003 budget is $8,845,277 or 7.8 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
CHILDREN'S SVCS - NON-CHILDREN'S FUND	$ 272,244	$ 272,244	$ -
GOLDEN GATE PARK	9,176,104	9,790,509	$ 614,405
DEVELOPMENT & PLANNING	900,000	-	$ (900,000)
NEIGHBORHOOD SERVICES	24,932,350	22,172,934	$ (2,759,416)
STRUCTURAL MAINTENANCE	7,918,080	9,428,219	$ 1,510,139
MAINT & OPER OF GOLF COURSE	(1)	(1)	$ -
CITYWIDE SERVICES	5,300,000	11,159,245	$ 5,859,245
CITYWIDE FACILITIES	15,145,122	19,540,221	$ 4,395,099
CAPITAL PROJECTS	26,141,368	21,486,633	$ (4,654,735)
ADMINISTRATION	9,089,961	15,348,938	$ 6,258,977
CHILDREN'S BASELINE	13,906,816	13,182,259	$ (724,557)
TRANSFER ADJUSTMENT	-	(18,444,434)	$ (18,444,434)
Net Expenditures	$ 112,782,044	$ 103,936,767	$ (8,845,277)

During FY 2002-03, the Recreation and Park Commission reorganized their budget. As a result of this reorganization and the reallocation of programs and funding sources, the table above only compares the FY 2002-03 revised budget to the FY 2003-04 Mayor's proposed budget.

DEPARTMENT: REC – RECREATION AND PARK COMMISSION

DEPARTMENT PERSONNEL SUMMARY:

The Department has budgeted for 19.75 layoffs. The total number of full-time equivalent positions budgeted for FY 2003-2004 is 983.81 FTEs, which is 1.89 FTE more than the 981.92 FTEs in the revised FY 2002-2003 budget. The Recreation and Park Commission's operations positions are increasing by 6.39 FTE, offset by a reduction of 4.50 for non-operating positions, or capital funded positions. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Revised Budget	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CHILDREN'S SVCS - NON-CHILDREN'S FUND	4.68	4.30	(0.38)
GOLDEN GATE PARK	136.28	127.76	(8.52)
NEIGHBORHOOD SERVICES	283.79	237.79	(46.00)
STRUCTURAL MAINTENANCE	82.74	84.65	1.91
CITYWIDE FACILITIES	103.73	107.90	4.17
CITYWIDE SERVICES	64.85	124.41	59.56
CAPITAL PROJECTS	9.39	8.65	(0.74)
ADMINISTRATION	54.77	60.41	5.64
CHILDREN'S BASELINE	241.69	227.94	(13.75)
Totals	981.92	983.81	1.89

During FY 2002-03, the Recreation and Park Commission reorganized their budget. As a result of this reorganization and the reallocation of programs and funding sources, the table above only compares the FY 2002-03 revised budget to the FY 2003-04 Mayor's proposed budget. A total of 51.04 FTE positions were either transferred moved from the General Fund to other funding sources or were eliminated

DEPARTMENT: **REC – RECREATION AND PARK COMMISSION**

DEPARTMENT REVENUES

Recreation and Park Commission revenues have decreased by $2,594,620 or 2.9 percent and General Fund support has decreased by $5,840,318 or 16.5 percent. To offset these reductions, the Recreation and Park Commission's proposed FY 2003-04 budget contains new revenue generating plans. Major revenue increases for FY 2003-04 include the following:

1. Use of the Downtown Park Fund $900,000 for debt service related to the Union Square renovation project.

2. Use of $750,000 Open Space Fund monies as a one-time offset for positions moved from the City's General Fund to the Open Space Fund.

3. The installation of multi-space parking meters and designated permit parking in Golden Gate Park (File No. 03-099) to generate as estimated $700,000 in revenue for FY 2003-2004, offset by $200,000 in expenses to the Department of Parking and Traffic (DPT) for meter maintenance, enforcement, and collection costs.

4. Sale of the naming rights of the stadium at Candlestick Point with the San Francisco Forty Niners, Ltd. (File No. 03-0987). Estimated revenue is $500,000 for FY 2003-2004.

5. The Department plans to enter into a new contract to provide vending machines on Recreation and Park Commission property. This is anticipated to generate an estimated $500,000 in revenue in FY 2003-2004. Presently, vending machine contracts are handled by the individual Recreation Centers and the Recreation and Park Commission will centralize the vending machine contract, which is anticipated to generate additional revenue.

6. An increase in various program fees to generate an additional estimated $1.3 million in FY 2003-2004. These program fee increases, include the following: a) latch key program and youth outings; b) Randall Museum summer camps; c) permits and reservations; d) Sharon Arts Studio; e) Photo Center; f) Athletic Program; and, g) Strybing Arboretum mandatory donations. According to Mr. Michael Frank of the Recreation and Park Commission, the Board of Supervisors has approved these fee increases with the exception of the fee increases for the Athletic Program and the Strybing Arboretum mandatory donations. The Recreation and Park Commission plans to bring the Athletic Program fees before the Board of Supervisors in FY 2003-04.

7. The Department plans to increase parking rates at a) all Recreation and Park Commission garages, which include the Union Square Garage, the Portsmouth Square Garage, the Civic Center Garage, and the St. Mary's Garage; b) at Kezar Parking Lot; c) the Candlestick Stadium Parking Lot; and d) Candlestick Stadium TV and Media Parking Lot. The FY 2003-04 budget contains an estimated $500,000 in increased revenue because of these fee increases. The fee increases for the Recreation and Park Commission parking garages are not subject to Board of Supervisors approval. The

Metropolitan Transportation Agency (MTA) Board of Directors approved the fees on February 26, 2003. According to Mr. Michael Frank of the Recreation and Park Commission, the Board of Supervisors has approved these fee increases for the Kezar Parking Lot and Candlestick Stadium Parking Lot (File No. 03-0626).

DESCRIPTION

A major change in the proposed FY 2003-04 budget is the implementation of a Department-wide Cost Allocation Plan. The Cost Allocation Plan takes labor costs and indirect costs and allocates the costs to appropriate funding sources, programs, or services in the Department. The Cost Allocation Plan creates overhead rates for each employee who charge their services to capital and facility maintenance projects. According to the Recreation and Park Commission, this includes projects associated with a) structural maintenance; b) natural areas; c) urban forestry; and, d) capital operations. As a result of the Cost Allocation Plan, the Recreation and Park Commission created a Department General Fund – Overhead Fund where all administrative and overhead costs will be captured to allocate to the appropriate funding source and program.

As part of the implementation of the Cost Allocation Plan, a second major change in the proposed FY 2003-04 budget is the overall reorganization of the Department's budget. The proposed FY 2003-04 budget includes three additional new programs a) Citywide Services; b) Citywide Facilities; and, c) Capital Projects. Under the Cost Allocation Plan overhead is charged to all appropriate programs.

Citywide Services include various operations that previously the Department listed as separate programs. This includes a) Turf Management; b) Family Camp Operations; and c) Urban Forestry. In addition, the Citywide Services Program includes funding for the operation of a) Pest Management; b) Park Patrol; c) Randall Museum summer camps; d) Sharon Arts Center; e) Natural Areas; f) Workreation; g) Aquatics; and, h) Environmental Education. The funding for these operations is comprised from the General Fund and the Open Space Fund.

The restructuring of the Recreation and Park Department includes the creation of the Citywide Facilities Program. This program includes the operation of Candlestick Park; the operation of the Marina Yacht Harbor; facilities management related to the Zoo; and operations of the Golf Courses. Funding sources for Citywide Facilities includes a) the General Fund; b) the Marina Yacht Harbor Fund; c) the Golf Fund; and, d) the Open Space Fund.

The Recreation and Park Commission's FY 2003-04 proposed budget includes the creation of the Capital Projects Program. This program includes consolidation of all capital costs, including the oversight, management and daily operations related to capital projects currently underway by the Recreation and Park Commission, which includes renovations to City owned golf courses. Funding sources for Citywide Facilities includes a) the General Fund-Overhead Recreation and Parks Fund; b) the Golf Fund; and, c) the Open Space Fund.

DEPARTMENT: REC – RECREATION AND PARK COMMISSION

In FY 2003-2004, the total Recreation and Park Commission's proposed budget expenditures of $103,936,767 are $8,845,277 less than the revised FY 2002-03 budget of $112,782,044. Major changes in expenditures include the following:

1. A $614,405 increase for the Golden Gate Park Program due primarily to costs associated to salary costs, which were funded by Gift Funds in FY 2002-2003.
2. A $900,000 decrease in the Development and Planning Program due predominantly to the decrease in Downtown Park Fund to fund capital projects.
3. A $2,759,416 reduction in the Neighborhood Services Program due predominantly to a reduction in capital projects, salary savings, offset by an increase in Department overhead.
4. A $1,510,139 increase in the Structural Maintenance Program due primarily to increased salary costs, resulting from a realignment of all structural maintenance positions into this program to determine the appropriate charges for the Department's Cost Allocation Plan.
5. A $5,859,245 increase in the newly created Citywide Services Program. The reallocation of several programs into the Citywide Services Program includes increases due primarily to increases in overhead rates. In addition, increases to the Citywide Services Program result from increases in salary costs from positions funded by the Open Space Fund for the Natural Areas Program and the Urban Forestry Program moved from Capital Projects to Operating Budget.
6. A $4,395,099 increase in the newly created Citywide Facilities Program. The reallocation of several programs into Citywide Facilities includes increases in professional and specialized services relating to opening of the Harding Park Golf Course and increase in overhead related to the Cost Allocation Plan.
7. A $4,654,735 decrease in the newly created Capital Projects Program. This decrease is due primarily to a reduction in capital costs, resulting from reduced bond sales in FY 2002-2003.
8. A $6,258,977 increase in Administration predominantly resulting from the Department reorganization that caused an increase in materials and supplies, professional and specialized services, and other current expenses, offset by reductions in salary costs.
9. A $724,557 decrease in Children's Baseline due predominantly to a decreases in salaries and mandatory fringe benefits, offset by an increase in temporary salaries.
10. A $18,444,434 decrease, which is an offset of overhead rates, because of the implementation of the Department's Cost Allocation Plan.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

Department: REC - Recreation and Park

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
AE - Neighborhood Services - GF Non-Project Controlled								
2582	060	Equipment				19,500	15,076	*
		* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.						
2663	06000	Equipment Purchase-Budget		1	1	19,500	15,076	4,424
		Reduce to reflect actual vendor quote.						
CQ - Citywide Services - GF Non-Project Controlled								
2601	060	Equipment				39,300	36,855	*
		* The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual items.						
2666	06000	Equipment Purchase-Budget		2	2	39,300	36,855	2,445
		Reduce to reflect actual vendor quote for a replacement pickup truck and a mower.						
CS - Capital Projects - GF Overhead-Recreation & Parks								
2614	001	Permanent Salaries - Misc.				4,238,013	4,204,217	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

artment: REC - Recreation and Park

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
53	001	Environmental Specialist	5640AN	0.50	0.00	33,796	0	33,796
		Delete a new 0.50 FTE 5640 Environmental Specialist position. The Budget Analyst is recommending approval of a new 0.75 5640 Environmental Specialist position and the substitution of a 1.00 FTE 5640 Environmental Specialist position for a total 1.75 FTE 5640 Environmental Specialist positions. The above request of a 0.50 FTE would provide 2.25 FTE Environmental Specialist positions. The Budget Analyst questions the need for 2.25 FTE 5640 Environmental Specialist positions. Presently, the Department has no 5640 Environmental Specialist positions. These positions will be responsible for applying for grants related to capital projects. Currently, the Department has a 1.0 1824 Principal Administrative Analyst position that handles grant applications.						
07	013	Mandatory Fringe Benefits				89,313	82,892	6,421
		Corresponds to the reductions in Permanent Salaries.						
07	021	Travel				4,000	0	4,000
		Reduce to actual 2002-2003 budgeted level. The Department's overall FY 2003-04 Travel budget is $4,900 or $4,000 more than the $900 budgeted in FY 2002-2003, which would result in approximately a 444 percent increase. We are recommending approval of $900 for Travel, the same level as FY 2002-2003.						
07	025	Entertainment and Promotion				1,500	0	1,500
		Reduce to $0. The Department indicated this expense was related to an annual planner's conference to be held in San Francisco. However, in FY 2002-2003 the Department budgeted $0 funds for this conference. The Department has managed to attend this conference without funds in prior years.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

Department: REC - Recreation and Park

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		IA Administration - GF-Overhead-Recreation & Parks						
2614	001	Permanent Salaries - Misc.				4,238,013	4,193,981	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2656	001	Deputy Director III	0953A	1.00	0.75	129,306	96,980	32,326
		Reduce this vacant position to 0.75 FTE to reflect the anticipated hire date of October 1, 2003.						
2658	001	Assistant Industrial Hygienist	6137AN	0.25	0.00	17,148	0	17,148
		Delete 0.25 Assistant Industrial Hygienist. This position was created in FY 2001-02 and was funded at 0.75 FTE. The position remained funded at 0.75 FTE in FY 2002-2003. The Department has indicated this position will attempt to assist in the reduction of Workers Compensation costs. The Department currently has 4.25 FTEs dedicated to this function.						

rtment: REC - Recreation and Park

e	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
8	001	Attrition Savings - Misc.	9993M			(50,586)	(45,144)	(5,442)
		Reduce Attrition Savings - Miscellaneous to offset the reduction of salaries related to the recommendations above.						
4	013	Mandatory Fringe Benefits				768,462	760,096	8,366
		Corresponds to the reductions in Permanent Salaries.						
4	022	Training				140,290	124,049	16,241
		Reduce to FY 2002-2003 expenditure level of $124,049. The Department's overall Training budget is $168,290.						
4	024	Membership Fees				3,150	1,000	2,150
		Reduce to FY 2002-2003 budget level. The Department's overall FY 2003-04 Membership Fees budget is $6,750 or $2,800 more than the $3,950 budgeted in FY 2002-2003, approximately a 71 percent increase. We are recommending approval of $4,600 in total for Membership Fees, an increase of 16 percent from the budgeted $3,950 total of FY 2002-2003.						

Children's Baseline - GF-Non-Project-Controlled

e	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
23	001	Permanent Salaries - Misc.				9,559,109	9,522,238	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

epartment: REC - Recreation and Park

Page			Position/ Equipment	Number		Amount		
No.	Object		Number	From	To	From	To	Savings
2660	001	Recreation Director	3284A	116.25	115.25	5,503,902	5,456,557	47,345
		Eliminate 1.00 FTE 3284 Recreation Director which has been vacant since January 11, 2002, approximately one year and five months. With this reduction, the Children's Baseline will still have 115.25 FTE 3284 Recreation Director positions, 10 of which are vacant, including seven positions vacant for more than one year, all of which we are recommending approval.						
2660	001	Attrition Savings - Misc.	9993M			(626,684)	(616,210)	(10,474)
		Reduce Attrition Savings - Miscellaneous to offset the deletion of 1.0 FTE 3284 Recreation Director position.						
2614	013	Mandatory Fringe Benefits				2,357,140	2,350,135	7,005
		Corresponds to the reductions in Permanent Salaries.						
		Total Recommended Reductions						167,251

Item 8 – File 03-0987

Department: Recreation and Park Department (RPD)

Item: Resolution approving and authorizing an agreement with the San Francisco Forty Niners, Ltd., for Naming Rights at the stadium located at Candlestick Point, for an annual payment to the Recreation and Park Department of an estimated $500,000. These funds are included in the Recreation and Park Department's FY 2003-2004 budget, and $2,500,000 total revenue throughout the full term of approximately 4 years and 11 months of the proposed agreement from the date of final approval by the Board of Supervisors and May 31, 2008, when the proposed agreement ends.

Description: The proposed resolution would authorize a new Agreement between the City and the Forty Niners, Ltd., (49ers), which would give to the 49ers the exclusive right to sell the Naming Rights to the stadium located at Candlestick Point (Stadium) for the duration of the Stadium Lease agreement between the City and the 49ers, for approximately the next four years and eleven months. The Lease agreement expires on May 31, 2008. In exchange for the exclusive right to sell Naming Rights, the 49ers would pay the City a Naming Rights use fee.

Under the proposed Agreement, the City would grant to the 49ers the right to select a sponsor to affix the sponsor's name or logo to the Stadium. The 49ers would be authorized to enter into an agreement with a sponsor for Stadium Naming Rights on whatever terms the 49ers chose, although such agreement must adhere to City policies regarding advertising on City property, such as the City's policy that there shall be no advertising of cigarettes or tobacco products on City property.

The actual selection of the sponsor would be subject to Recreation and Park Commission approval, but would not be subject to approval of the Board of Supervisors (see Comment No. 2).

The proposed Agreement provides that the 49ers will pay to the City 50 percent of all Naming Rights revenues.

However, the 49ers would be authorized to deduct from gross Naming Rights revenues, prior to calculation of the City's 50 percent payment, the actual costs, "to the extent such costs are reasonable and have been actually incurred by the 49ers," of the following: (a) suites and tickets provided to the sponsor; (b) one-time costs of producing and installing Naming Rights signage; (c) Super Bowl tickets provided to the sponsor; (d) maintenance of the Naming Rights signage, and (e) travel by the 49ers to secure the Naming Rights Sponsor. Moreover, the 49ers shall provide "reasonable documentation" of these expenses to the City.

However, the Agreement provides for no limitations on such deductions and does not define "reasonable" with respect to such costs. The City may accept capital repairs to the Stadium of equal value in lieu of all or any portion of the Naming Rights use fee payable by the 49ers to the RPD. Under this provision, the RPD General Manager would solely designate which repairs would be performed and the 49ers and City would mutually agree on the cost of the repairs designated by the General Manager. The proposed Agreement states that "Each year, the 49ers shall be entitled to all revenues generated from the sale of Naming Rights to the Stadium remaining after payment of the 49ers' Allowable Expenses and the City's Naming Rights Use Fee."

According to the proposed Agreement, the 49ers would be responsible for payment of any taxes resulting from the Agreement, including Possessory Interest Taxes, and Sales Taxes.

Comments:

1. The City had a prior Agreement with the 49ers for stadium Naming Rights for the period from February 1, 1996 through January 31, 2000 (a four year period). Under the terms of the prior Agreement, the 49ers paid the City a total of $3,900,000 in naming right use fees. All of the payments to the City by the 49ers accrued as departmental revenue to the General Fund – Recreation and Park Department, Candlestick Park. Mr. Michael Frank of the Recreation and Park Department reports that under the original Naming Rights Agreement the payments to the City were utilized in part to provide a

portion of the funding for Stadium renovations. However, Mr. Frank states that in the January 31, 2000 Extension of the Naming Rights Agreement, the 49ers and the City agreed that an additional $1,800,000 in payments due to the RPD under the extension did not have to be applied to the stadium and could be used for any purpose.

2. The Recreation and Park Department has awarded the subject Agreement to the 49ers on a sole source basis. The proposed resolution states:

"It is in the City's best interests to enter into the Agreement directly with the 49ers ... in order to derive the maximize value to the City of any Naming Rights deal, the Naming Rights must be bundled with luxury box rights, product sales opportunities and/or player appearances that only the 49ers can provide, and, thus, it would be impractical or impossible to competitively solicit bids for Naming Rights and still obtain the highest value for Naming Rights."

Accordingly, the Recreation and Park Department has awarded the subject Agreement to the 49ers on a sole source basis, as discussed in the Attachment, provided by RPD, without first obtaining Board of Supervisors approval to conduct such sole source negotiations with the 49ers.

3. As previously noted, the FY 2003-2004 Mayor's recommended budget for the Recreation and Park Department is balanced using $500,000 in revenue from the proposed Naming Rights Agreement.

4. In the professional judgement of the Budget Analyst, unless the proposed Naming Rights Agreement is put out to competitive bid by the City, which is the owner of the Stadium, in contrast to authorizing the Stadium lessee, the 49ers to competitively bid the naming rights, there is no assurance that the City is maximizing its revenue from the agreement with the 49ers.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

City and County of San Francisco Recreation and Park Department

MEMORANDUM

DATE: 6/23/2003

TO: Harvey Rose, Budget Analyst

FROM: Elizabeth Goldstein, General Manager

RE: Candlestick Stadium Naming Rights

The Recreation and Park Department and Commission is respectfully bringing forward a proposal to earn revenue from the naming of Candlestick Stadium. This is not done lightly given the sentiments expressed at the Board of Supervisors a year ago, but in the context of extreme budget reduction measures and layoffs. The Department has had to develop $9.5 million in budget balancing measures. We have exhausted other revenue generating ideas and are faced with additional service reductions.

The terms of the proposed agreement are identical to what was proposed last year. The Department would split any net naming rights revenue 50%/50% with the San Francisco 49ers. Direct expenses related to the development of a naming rights deal would be deducted before the split.

Based on the state of the economy, the Department anticipates approximately $500,000 in naming rights revenue coming to the Department. This projection is speculative and a naming rights deal may be more lucrative. There are no active proposals for naming the stadium at this time.

The Department strongly believes that entering into the agreement directly with the 49ers is in the best interest of the City for the following reasons:

1. **Brings value to the agreement that only the 49ers can provide**

    a. **The 49ers are the sole tenant at the Stadium.** It is the 49ers' presence and the team's stature and identity that gives most of the value to naming rights at the Stadium. The 49ers' winning record (resulting in television exposure), and the consistent sold out attendance record of 49ers games translates to near guaranteed advertising exposure. Although the stadium is occasionally permitted for other events these are often not committed more than 60 days in advance. Therefore, without the 49ers substantial prior commitments, naming would have little or no value to potential naming sponsors. Conversely, having the 49ers organization sell the naming opportunities directly adds cache and therefore increases the value that can be obtained.

b. **Bundling opportunities.** In addition, under the Stadium lease with the City, the 49ers have the exclusive right to market luxury boxes and food and beverage during the term of the lease. Exclusivity, luxury box rights, product sales opportunities and/or player appearances are often demanded by potential sponsors as part of naming rights packages. Only the 49ers can fulfill all of these expectations from potential sponsors. Again, the ability to bundle luxury suites or player appearances will increase the value that can be derived.

c. **The 49ers marketing expertise.** The 49ers have the marketing expertise, staff and infrastructure in place to sell both Naming and Advertising Rights. Additionally, they have contacts with companies that advertise in connection with professional sports that are invaluable and that will maximize the value obtained from such advertising at the Stadium.

3. **Previous Contractual Relationship with the 49ers.** The 49ers have held the Naming Rights to the Stadium since 1995. In 1996, the City attempted to solicit bids from other companies that might be interested in purchasing the naming rights but only the 49ers submitted a proposal. Since that time, the Stadium has lost its only other regular, high profile tenant, the Giants, and the naming and stadium advertising market generally has experienced a downturn.

Item 9 – File 03-0991

Department: Recreation and Park Department (RPD)

Item: Ordinance amending the Traffic Code by adding Sec. 201.5 to establish Parking Meter Area Number Five; amending Sec. 201 to authorize the General Manager of the Recreation and Park Department to establish parking meter zones within Parking Meter Area Five subject to approval of the Recreation and Park Commission; amending Sec. 203.6 to set Parking Meter Rates in Parking Meter Area Number Five and to authorize the Recreation and Park Commission to reduce the meter rate not more than 50% lower than that set by the Board of Supervisors; amending Sec. 213 to provide that monies collected from meters located on park land be credited to an account for use by the Recreation and Park Department; adding Park Code Article 14 to establish permit parking on Park Property; and amending Park Code Sec. 6.10 to provide for penalties for violating Article 14.

Description: The proposed ordinance would allow the Recreation and Park Department to install parking meters and establish parking rates on all property under the jurisdiction of the Recreation and Park Department. Under the proposed ordinance, the Recreation and Park Department can only install parking meters and permit parking on streets located within park boundaries but the Department will not have jurisdiction for parking meters installed in properties which are adjacent and exterior to the boundaries of parks.

Under the proposed ordinance, the Recreation and Park General Manager, in consultation with the Director of the Department of Parking and Traffic, will have the ability to establish zones to determine where parking meters will be located. Under the proposed ordinance, the Recreation and Park Commission will determine the time period for which vehicles are permitted to park where parking meters are installed.

Under the proposed ordinance, the Board of Supervisors would establish the parking rates for the new Parking

Meter Area Number Five. The proposed ordinance defines Parking Meter Area Number 5 as "*all land, public grounds and streets located within the boundaries of parks or otherwise under the jurisdiction of the Recreation and Park Commission, and shall not mean streets adjacent and exterior to the boundaries of parks.*" Under the proposed resolution, the Recreation and Park Commission may reduce the parking meter rates, approved by the Board of Supervisors, by no more than 50 percent but the Commission would not be authorized to increase rates above those rates established by the Board of Supervisors.

The proposed resolution states that revenue from the installation of parking meters on Recreation and Park property will be deposited into a new "Recreation and Park Parking Meter Revenue Subobject" account in the Recreation and Park's Department.

The proposed ordinance allows the Recreation and Park Commission to establish a permit parking program on park property in to order pay for parking on a monthly basis. Under the proposed ordinance, the Recreation and Park Commission shall determine the following (a) the locations of the permit parking area; (b) the days of the week and hours of the day permits are to be required; (c) the number of permits issued; and (d) the rates. Under the proposed ordinance, the monthly rates for the new permit parking program are as follows: (a) $30.00 per month for employees of the California Academy of Sciences, the Fine Arts Museum, and City and County of San Francisco employees or volunteers located on park property; (b) $30.00 per month for contractor employees, working on construction or the design of public facilities located within park property; and, (c) $60.00 per month for commuters, which are defined as persons parking on streets on park property for a purpose other than patronizing park facilities. Under the proposed ordinance, fines for permit parking are as follows: (a) $50 for the first offense; (b) not to exceed $100 for the second offense within a one-year period; and (c) not to exceed $250 for the third and each additional second offense within a one-year period.

Comments:

1. According to Mr. Michael Frank of the Recreation and Park Commission, the Department has proposed the implementation of parking meters and permit parking rates in order to generate additional revenue for the Department. The Recreation and Park Commission's FY 2003-2004 proposed budget includes a total of $700,000 of additional revenue based on the proposed installation of parking meters and permit parking on Recreation and Park property. According to Mr. Frank, the Department anticipates $550,000 in revenue from the installation of parking meters and $150,000 in revenue from the permit parking program for a total of $700,000 in FY 2003-2004. This is offset by an estimated $200,000 in expenses to the Department of Parking and Traffic (DPT) for parking meter maintenance, enforcement and collection costs. The funding source of the costs associated with the purchase and installation of the subject parking meters is State Park Bond Funds (Propositions 12 and 40). The total cost of the parking meters is estimated at $850,000.

Mr. Frank anticipates generating $1.5 million in FY 2004-2005 as a result of the proposed parking meters and permit parking. According to Mr. Frank, this increase is a result of the meters being implemented for an entire year. Mr. Frank advises the goal of the Recreation and Park Department is to have the parking meters and permit parking fully implemented by September 1, 2003.

2. Under the proposed ordinance, the rates for the new Parking Meter Area Number Five are identical to the parking meter rates in Parking Meter Area Number Two, which includes the area around City Hall, parts of North Beach, and part of South of Market. The rates for Parking Meter Area Number Two were recently increased and approved by the Board of Supervisors on April 15, 2003 and signed by the Mayor on April 18, 2003 (File No. 03-0352). Currently, the parking meter rates for Area Two are as follows: (a) five-cents for two minutes of parking; (b) ten-cents for four minutes of parking; and, (c) twenty-five cents for 10 minutes of parking. Rates in the newly created Parking Meter Area Number Five would be $1.50 per hour, unless the Recreation and Park Commission reduces the rates.

3. Under the proposed resolution, the Recreation and Park Commission may reduce the parking meter rates as established by the Board of Supervisors by no more than 50 percent. According to Mr. Frank, this will allow the Recreation and Park Department the flexibility to have lower parking rates in the areas where demand is not as great. Mr. Frank advises this could result in different parking rates within in the same park. As shown in Attachment, provided by Mr. Frank, the Recreation and Park Commission may establish parking rates at $1.00 per hour in Golden Gate Park.

4. The proposed ordinance permits the Recreation and Park Commission to install parking meters and authorize permit parking on any streets located in park property. According to Mr. Frank, at this time the Department plans to only install parking meters in the eastern part of Golden Gate Park. Mr. Frank indicated the Recreation and Park Department is considering adding parking meters in the Marina green parking lot and Lincoln Park parking area at a later date.

5. The proposed ordinance also establishes a permit parking program to be operated by the Recreation and Park Department on streets within park boundaries. According to Mr. Frank, the Recreation and Park Department has not finalized specifically where the permit parking will take place. As shown in the Attachment, the Recreation and Park Department may implement permit parking on Kezar Drive and Conservatory Drive East.

Recommendations: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

City and County of San Francisco Recreation and Park Department

MEMORANDUM

DATE: 6/23/2003

TO: Harvey Rose, Budget Analyst

FROM: Elizabeth Goldstein, General Manager

RE: Paid Parking Program

Currently, parking is primarily free and largely unrestricted throughout the City's parks, unlike much of the remainder of the City, which has parking meters and residential permit parking restrictions. Unrestricted free parking has produced two negative impacts to the parks:

- It often allows non-users of the park to pre-empt parking that should be available for park users
- It discourages park access by more environmentally beneficial modes such as transit, walking, bicycling and carpooling

The Department currently collects parking fees in the four garages that it owns, the Golden Gate Park Concourse parking lots adjacent to the California Academy of Sciences, the Kezar parking lot, and the Candlestick Stadium parking lot.

The Recreation and Park Department was required to propose $9.5 million in General Fund budget reduction measures. Creating a paid parking program was one way of bridging this significant gap while stimulating parking turnover and providing improved access to park facilities. The Department hired a transportation consultant to do a preliminary feasibility study of fee parking. Based on his data, the department believes that through the use of permits and multi-space meters, $500,000 of net revenue can be generated during FY 03/04 increasing to $1.5 million the following fiscal year (excluding capital costs). The increase is due to mid-year installation of meters and a fully developed enforcement program. The projected revenue in the Mayor's Proposed Budget is $700,000 offset by $200,000 in expenses for enforcement, coin collection, and meter maintenance. Enforcement, collection, and maintenance would be conducted by the Department of Parking and Traffic although Park Patrol Officers would also be able to do enforcement.

The Ordinance sets up Recreation and Park Commission property as Parking Meter Area Five. There are four other parking meter areas in the City. Rates are set by the

Board of Supervisors for each Area. The Ordinance sets the rates in Parking Meter Area Five to be the same as the rates set by the Board for Parking Meter Area Two. The Ordinance also allows the Recreation and Park Commission to set rates for individual meter spaces at 50% less than that set for the entire Area by the Board. This mechanism gives the Commission some flexibility to set meter spaces closer to very busy institutions in the Park like the De Young or the California Academy of Sciences at a higher rate than those in more remote locations. If approved by the Board, rates for Parking Meter Area 5 would be $1.50 an hour with the Recreation and Park Commission able to set rates from $.75 an hour to $1.50 an hour. The Commission has expressed a desire to set rates in Golden Gate Park (GGP) at $1.00 an hour. This is the same rate presently charged in the GGP Music Concourse parking lot.

At this time, the Department is planning to install approximately 160 multi-space meters covering approximately 1,500 spaces in the eastern end of Golden Gate Park. This area is choked with commuter and residential parking. The Golden Gate Park Master Plan element addresses this issue by designating 3 and 4 hour parking limits in the eastern end of the Park. Limited time parking will free up spaces for recreational park users. The Department has no way to enforce such parking limits without a paid parking program to fund these expenses.

The Department is also proposing a parking permit program which would allow a very limited number of commuters and employees of park institutions to park in designated areas of the park for a monthly fee. These locations have not yet been finalized, however, the department is presently exploring Kezar Drive and Conservatory Drive East.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **DPH – PUBLIC HEALTH**

FINANCIAL DATA:

The Department of Public Health proposed $986,615,922 budget for FY 2003-2004 is $57,542,452 or 5.5 percent less than the original FY 2002-2003 budget of $1,044,158,374. The net decrease from the revised FY 2002-2003 budget is $64,182,030 or 6.1 percent.

SUMMARY OF PROGRAM EXPENDITURES:

	Fiscal Year 2002-2003		Mayor's Budget Fiscal Year	Proposed Increase (Decrease) 2002-2003
Program Expenditures	**Original**	**Revised**	**2003-2004**	**Original Budget**
SFGH - ACUTE CARE - JAILS	$ 2,139,672	$ 2,139,672	$ 2,214,037	$ 74,365
SFGH - ACUTE CARE - HOSPITAL	396,165,586	396,475,206	400,149,874	3,984,288
SFGH - ACUTE CARE - PSYCHIATRY	23,685,120	23,685,120	24,015,550	330,430
SFGH - AMBU CARE - HOSPITAL CLINICS	7,445,100	7,281,953	8,033,187	588,087
SFGH - AMBU CARE - METHADONE CLINIC	1,674,530	1,674,530	1,723,671	49,141
SFGH - AMBU CARE - OCCUPATIONAL HEALTH	2,820,399	2,820,399	2,864,690	44,291
SFGH - EMERGENCY - TRAUMA	12,953,702	12,953,702	14,431,686	1,477,984
SFGH - EMERGENCY - PSYCHIATRIC SERVICES	4,472,353	4,472,353	4,553,144	80,791
SFGH - LONG TERM CARE - MHRF	15,512,658	15,255,567	14,541,733	(970,925)
LAGUNA HONDA - LONG TERM CARE	186,776,969	186,769,122	143,907,345	(42,869,624)
LAGUNA HONDA HOSP - COMM SUPPORT CARE	1,070,676	1,070,676	1,038,412	(32,264)
LAGUNA HONDA HOSP - ACUTE CARE	1,838,554	1,838,554	1,880,203	41,649
ADMINISTRATION	128,662,536	131,202,651	126,585,134	(2,077,402)
HEALTH AT HOME	4,535,776	4,535,776	4,154,138	(381,638)
PRIMARY CARE - AMBU CARE - HEALTH CNTRS	41,735,657	41,796,814	37,210,273	(4,525,384)
MENTAL HEALTH - LONG TERM CARE	14,766,278	14,766,278	14,968,978	202,700
JAIL HEALTH SERVICES	25,117,511	25,117,511	21,137,752	(3,979,759)
MENTAL HEALTH - COMMUNITY CARE	106,114,844	109,569,374	98,328,491	(7,786,353)
SUBSTANCE ABUSE - COMMUNITY CARE	58,689,879	58,900,402	53,696,409	(4,993,470)
ENVIRONMENTAL HEALTH SERVICES	11,412,697	11,693,758	11,287,308	(125,389)
HIV/AIDS	69,290,829	69,290,829	64,770,049	(4,520,780)
DISEASE CONTROL	19,259,996	19,259,996	19,939,057	679,061
EMERGENCY MEDICAL SERVICES AGENCY	1,757,604	1,757,604	1,682,904	(74,700)
HEALTH PROMOTION & PREVENTION	7,970,709	7,970,709	6,111,905	(1,858,804)
MATERNAL & CHILD HEALTH	16,051,964	16,051,964	16,236,934	184,970
OCCUPATIONAL SAFETY & HEALTH	1,044,873	1,044,873	1,044,366	(507)
MENTAL HEALTH - ACUTE CARE	5,552,199	5,552,199	4,527,077	(1,025,122)
HOUSING & URBAN HEALTH	8,895,996	9,134,285	10,219,835	1,323,839
CHILDREN'S BASELINE	23,941,226	23,941,226	23,769,424	(171,802)
MENTAL HEALTH - CHILDREN'S PROGRAM	20,108,196	20,080,564	21,756,042	1,647,846
DEPARTMENTAL TRANSFER ADJUSTMENT	(196,449,316)	(196,449,316)	(196,449,316)	-
Net Expenditures	$ 1,025,014,773	$ 1,031,654,351	$ 960,330,292	$ (64,684,481)
Work Order Recoveries	19,143,601	19,143,601	26,285,630	7,142,029
Total Expenditures	$ 1,044,158,374	$ 1,050,797,952	$ 986,615,922	$ (57,542,452)
Less: Capital and Facilities Maint.	48,007,650	50,232,544	2,550,000	(45,457,650)
Total Operating Budget	$ 996,150,724	$ 1,000,565,408	$ 984,065,922	$ (12,084,802)

DEPARTMENT: DPH – PUBLIC HEALTH

DEPARTMENT PERSONNEL SUMMARY:

The Department has budgeted for 28 layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 6,084.70 FTEs, which is 223.99 FTEs less than the 6,308.69 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
SFGH - ACUTE CARE - JAILS	22.82	22.82	0.00
SFGH - ACUTE CARE - HOSPITAL	1,912.39	1,834.07	(78.32)
SFGH - ACUTE CARE - PSYCHIATRY	167.40	167.88	0.48
SFGH - AMBU CARE - HOSPITAL CLINICS	82.01	86.11	4.10
SFGH - AMBU CARE - METHADONE CLINIC	12.93	12.94	0.01
SFGH - AMBU CARE - OCCUPATIONAL HEA	23.40	24.42	1.02
SFGH - EMERGENCY - TRAUMA	98.63	106.25	7.62
SFGH - EMERGENCY - PSYCHIATRIC SERVI	40.03	40.00	(0.03)
SFGH - LONG TERM CARE - MHRF	199.92	191.84	(8.08)
LAGUNA HONDA - LONG TERM CARE	1,489.49	1,473.53	(15.96)
LAGUNA HONDA HOSP - COMM SUPPORT C	15.11	15.11	0.00
LAGUNA HONDA HOSP - ACUTE CARE	18.25	18.25	0.00
ADMINISTRATION	154.75	143.72	(11.03)
HEALTH AT HOME	56.42	46.53	(9.89)
HEALTH PROMOTION & PREVENTION	0.00	0.00	0.00
PRIMARY CARE - AMBU CARE - HEALTH C	401.84	395.83	(6.01)
MENTAL HEALTH - LONG TERM CARE	16.88	17.38	0.50
JAIL HEALTH SERVICES	209.23	147.84	(61.39)
MENTAL HEALTH - COMMUNITY CARE	368.26	366.48	(1.78)
SUBSTANCE ABUSE - COMMUNITY CARE	50.17	49.87	(0.30)
ENVIRONMENTAL HEALTH SERVICES	108.56	108.46	(0.10)
HIV/AIDS	192.06	144.79	(47.27)
DISEASE CONTROL	173.08	170.71	(2.37)
EMERGENCY MEDICAL SERVICES AGENCY	11.11	10.97	(0.14)
HEALTH PROMOTION & PREVENTION	46.43	25.75	(20.68)
MATERNAL & CHILD HEALTH	165.26	168.12	2.86
OCCUPATIONAL SAFETY & HEALTH	11.34	12.09	0.75
HOUSING & URBAN HEALTH	11.06	17.89	6.83
CHILDREN'S BASELINE	225.58	228.29	2.71
MENTAL HEALTH - CHILDREN'S PROGRAM	24.28	36.76	12.48
Totals	6,308.69	6,084.70	(223.99)

DEPARTMENT: DPH – PUBLIC HEALTH

DEPARTMENT REVENUES

Department revenues have decreased by $35,741,805 or 3.4 percent. However, Laguna Honda project funding has decreased by $41,276,650 and General Fund support to San Francisco General and Laguna Honda Hospital has decreased by $20,831,987. Therefore, all other Department revenues have increased $26,366,832 or 3.0 percent. Total General Fund support to the Department has decreased by $48,512,478 or 16.7 percent.

TECHNICAL ADJUSTMENTS

After submission of the Mayor's budget to the Board of Supervisors on June 2, 2003, the Mayor submitted technical adjustments to the proposed FY 2003-2004 DPH budget, totaling $98,115,658, as follows:

- $109,000 increase due to program restoration for single room occupancy (SRO) collaborative contracts.

- $98,224,658 decrease due to duplicate accounting for funding transfer within the Department.

DESCRIPTION

The Department's budget has decreased by $57,542,452. This decrease is due primarily to the following changes in the Department's budgeted expenditures:

- $5,436,914 decrease in salaries.
- $13,727,026 decrease in mandatory fringe benefits.
- $11,599,581 decrease in non-personal services.
- $44,954,323 decrease in capital outlay.

These decreases are offset by the following proposed budget increases:

- $8,087,461 for materials and supplies primarily due to (a) increased pharmaceutical costs at San Francisco General Hospital, Laguna Honda Hospital and the Jail Health program, and (b) increased medical supply and pharmaceutical costs for dialysis services at San Francisco General Hospital, which were previously provided by the University of California, San Francisco (UCSF).

- $10,087,931 for the services of other departments primarily due to (a) the transfer of funding for security services to the Sheriff's Department, (b) increased enrollment in the Department of Human Services' Healthy Workers program, (c) increased workers' compensation costs, and (d) the transfer of funding to the Department of Public Works for waste management and recycling services.

Department: Department of Public Health (DPH)

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
		Program: San Francisco General Hospital- Acute Care- Hospital (D1H)						
2053	001	Permanent Salaries- Misc.				$73,673,619	$73,654,243	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
2203	001	Principal Accountant	1654	1.0	0.00	73,814	0	73,814
		Delete this position which has been vacant since September 17, 1999 or approximately 3 years and 9 months.						
2202	001	Senior Clerk Typist	1426	28.0	27.00	1,335,172	1,287,487	47,685
		Delete this position which has been vacant since September 18, 2000 or approximately 2 years and 9 months.						
2202	001	Senior Clerk	1406	6.0	5.90	260,269	255,931	4,338
		Delete .10 FTE 1406 Senior Clerk which has been vacant since March 16, 2001 or approximately 2 years and 3 months.						
2204	001	Patient Svc. Finance Technician	2105	12.25	11.25	585,416	537,627	47,789
		Delete this position which has been vacant since July 9, 2001 or approximately 1 years and 11 months.						
2204	001	Medical Staff Svcs Specialist	2106	3.5	3.00	189,003	162,003	27,000
		Delete .50 FTE 2106 Medical Staff Services Specialist which has been vacant since July 5, 2000 or approximately 2 years and 11 months.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-04

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partment: Department of Public Health (DPH)

ge .	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
0	001	Attrition Savings Reduce Attrition Savings by $200,626 to offset the proposed reduction of 3.60 FTEs in this program with total reduced salary costs of $200,626.	9993M	(178.51)	(174.95)	(10,064,258)	(9,863,632)	(200,626)
0	001	Attrition Savings Increase Attrition Savings by $19,376 to offset 0.25 FTE of a 1.0 FTE 1823 Administrative Analyst that will not be hired until October 1, 2003. A 1.0 FTE 1823 Administrative Analyst is budgeted at $77,504. This position was recommended in the Budget Analyst's management audit of San Francisco General Hospital.	9993M	(174.95)	(175.29)	(9,863,632)	(9,883,008)	19,376
53	013	Mandatory Fringe Benefits Corresponds with reduction in salaries.				31,382,320	31,378,639	3,681
ogram: San Francisco General Hospital- Long Term Care- MHRF (D6P)								
59	001	Permanent Salaries- Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				8,351,338	8,351,338	*
22	001	Senior Clerk Typist Delete this position which has been vacant since July 1, 1999 or approximately 4 years.	1426	2.0	1.00	95,369	47,685	47,684
22	001	Payroll Clerk Delete .50 FTE 1220 Payroll Clerk which has been vacant since January 1, 2000 or approximately 3 years and 6 months.	1220	0.5	0.00	26,726	0	26,726

Department: Department of Public Health (DPH)

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
2223	001	Attrition Savings Reduce Attrition Savings by $74,410 to offset the proposed reduction of 1.50 FTEs in this program with total reduced salary costs of $74,410.	9993M	(17.01)	(15.57)	(877,249)	(802,839)	(74,410)
2069	022	Training Reduce Training Budget in accordance with Department's updated needs. Overall, the Department has budgeted $387,304 for Training.				25,000	15,000	10,000
2069	035	Other Current Expenses Reduce to FY 2001-2002 actual and FY 2002-2003 projected expenditure levels of $49,053 and $78,686, respectively. Overall, the Department has budgeted $106,984,706 for Other Current Expenses.				115,000	75,000	40,000
Program: Laguna Honda- Long Term Care (DA5)								
2070	001	Permanent Salaries- Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				66,907,865	66,761,719	*
2228	001	Supervisor Clinical Psychologist Delete .50 FTE 2576 Supervisor Clinical Psychologist which has been vacant since June 13, 1996 or approximately 7 years.	2576	3.0	2.50	254,420	212,017	42,403
2225	001	Unit Clerk Delete this position which has been vacant since March 30, 2001 or approximately 2 years and 3 months.	1428	7.0	6.00	354,621	303,961	50,660
2228	001	Health Program Coordinator Delete this position which has been vacant since July 27, 2000 or approximately 2 years and 11 months.	2589	4.0	3.00	244,007	183,005	61,002

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

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partment: Department of Public Health (DPH)

ge	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
30	001	Attrition Savings Reduce Attrition Savings by $7,919 to offset the proposed reduction of 2.50 FTEs in this program with total reduced salary costs of $154,065. The net savings is $146,146.	9993M	(77.16)	(77.03)	(4,620,700)	(4,612,781)	(7,919)
70	013	Mandatory Fringe Benefits Corresponds with reduction in salaries.				22,194,829	22,167,061	27,768
71	060	Equipment Purchase * The recommended reduction in equipment is the total of the following specific recommendations.				192,890	144,890	*
	06000	Equipment not detailed Reduce equipment purchases for budgeted training system expenditures which will not be required until FY 2004-2005 and FY 2005-2006.				0	(48,000)	48,000

ogram: Health at Home (DHH)

ge	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
86	023	Employee Field Expense Reduce to budget in accordance with Department's updated needs.				70,000	60,000	10,000
86	027	Professional and Specialized Services Reduce to budget in accordance with Department's updated needs.				169,856	144,856	25,000
86	040	Materials and Supplies Reduce to budget in accordance with Department's updated needs.				140,013	130,013	10,000

epartment: Department of Public Health (DPH)

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
rogram: Jail Health Services (DMF)								
098	004	Permanent Salaries- Nurses				5,627,906	5,624,036	*
		* The recommended reduction in Permanent Salaries - Nurses is the total of the following specific recommendations regarding individual classifications.						
257	004	Clinical Nurse Specialist	2323	0.0	1.00	0	105,663	(105,663)
257	004	Instructor of Nursing	2350	1.0	0.00	109,533	0	109,533
		Disapprove an upwards substitution from 1.0 FTE 2323 Clinical Nurse Specialist to 1.0 FTE 2350 Instructor of Nursing. The upward substitution is not legally mandated, does not produce revenue, and does not result in savings.						
098	013	Mandatory Fringe Benefits				1,879,818	1,878,874	944
		Corresponds with reduction in salaries.						
099	060	Equipment Purchase				672,716	643,668	*
		* The recommended reduction in equipment is the total of the following specific recommendations.						
414	060	Equipment not detailed				0	(29,048)	29,048
		Budget reduction pending documentation of vendor quote for furniture purchases.						
rogram: Mental Health Community Care (DMM)								
100	001	Permanent Salaries- Misc.				23,163,485	23,116,096	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
262	001	Health Worker III	2587	13.10	12.10	680,401	628,462	51,939
		Delete this position which has been vacant since October 1, 1999 or approximately 3 years and 8 months.						

artment: Department of Public Health (DPH)

		Position/ Equipment	Number		Amount		
Object		**Number**	**From**	**To**	**From**	**To**	**Savings**
001	Attrition Savings	9993M	(33.68)	(33.62)	(2,561,404)	(2,556,854)	(4,550)
	Reduce Attrition Savings by $4,550 to offset the proposed reduction of 1.00 FTEs in this program with total reduced salary costs of $51,939. The net savings is $47,389.						
013	Mandatory Fringe Benefits				4,427,434	4,418,430	9,004
	Corresponds with reduction in salaries.						

gram: Substance Abuse - Community Care (DMS)

Object					From	To	Savings
030	Rents and Leases - Building and Structures				312,161	112,161	200,000
	Reduce to FY 2001-2002 actual and FY 2002-2003 projected expenditure levels of $87,530 and $99,220, respectively.						
081	Services of Other Departments				1,405,047	1,310,840	94,207
	Reduce budget in accordance with Department's updated needs which corresponds with a reduction in the Department of Adult Probation's budget. Services are for temporary salaries of Deputy Probation Officers under the Proposition 36 program, which is a State-funded drug treatment program. Because the staff providing Proposition 36 services are permanent staff and not temporary staff, the Department of Adult Probation has not expended any Temporary Salaries monies in FY 2002-2003. These monies are budgeted for DPH in special revenue fund 2S CHS PHF.						

gram: Environmental Health Services (DPB)

Object					From	To	Savings
001	Permanent Salaries- Misc.				6,904,560	6,904,560	*
	* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						

epartment: Department of Public Health (DPH)

age o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
283	001	Senior Environmental Health Inspector Delete 0.50 6122 Senior Mental Health Clinician which has been vacant since July 1, 2001 or approximately 2 years.	6122	30.20	29.70	2,674,209	2,629,934	44,275
283	001	Attrition Savings Reduce Attrition Savings by $44,275 to offset the proposed reduction of 0.50 FTEs in this program with total reduced salary costs of $44,275.	9993M	(7.02)	(6.42)	(517,219)	(472,944)	(44,275)
118	030	Rents and Leases - Buildings and Structures Reduce Budget in accordance with Department's updated needs.		-	-	565,951	549,951	16,000
rogram: Disease Control (DPD)								
146	001	Permanent Salaries- Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				5,027,043	5,027,043	*
333	001	Microbiologist Delete this position which has been vacant since September 30, 2000 or approximately 2 years and 9 months.	2462	4.0	3.00	285,869	214,402	71,467
333	001	Health Program Coordinator Delete 0.25 FTE 2589 Health Program Coordinator which has been vacant since July 1, 2001 or approximately 2 years.	2589	1.0	0.75	61,001	45,751	15,250

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

artment: Department of Public Health (DPH)

			Position/ Equipment	Number		Amount		
e	Object		Number	From	To	From	To	Savings
3	001	Attrition Savings Reduce Attrition Savings by $86,717 to offset the proposed reduction of 1.25 FTEs in this program with total reduced salary costs of $86,717.	9993M	(6.29)	(6.14)	(316,397)	(229,680)	(86,717)
gram: Maternal and Child Health (DPM)								
3	021	Travel Reduce to FY 2001-2002 actual and FY 2002-2003 projected expenditure levels of $5,945 and $1,759, respectively. Overall, the Department has budgeted $434,642 for Travel.				16,628	6,628	10,000
3	035	Other Current Expenses Reduce to FY 2001-2002 actual and FY 2002-2003 projected expenditure levels of $11,910 and $5,186, respectively. Overall, the Department has budgeted $106,984,706 for Other Current Expenses.				35,291	15,291	20,000
gram: Housing and Urban Health (DSP)								
8	001	Permanent Salaries- Misc. * The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.				819,051	796,090	*
0	001	Physician Specialist Delete 0.20 FTE 2230 Physician Specialist which has been vacant since July 1, 2001 or approximately 2 years.	2230	0.45	0.25	56,623	31,457	25,166
0	001	Attrition Savings Reduce Attrition Savings by $2,205 to offset the proposed reduction of 0.20 FTEs in this program with total reduced salary costs of $25,166. The net savings is $22,961.	9993M	(0.62)	(0.59)	(44,072)	(41,867)	(2,205)

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-04

epartment: Department of Public Health (DPH)

age			Position/ Equipment	Number		Amount		
o.	Object		Number	From	To	From	To	Savings
188	013	Mandatory Fringe Benefits				250,135	245,772	4,363
		Corresponds with reduction in salaries.						
		Total Recommended Reductions						$ 797,757
		FY 2002-03 reserves that the Budget Analyst recommends should not be released (see Item No. 11, File 03-0928, shown as Appendix II to this report.)						$ 980,879
		Total Available for Reallocation						$ 1,778,636

Item 10 - File 03-0986

Department: Department of Public Health

Item: Ordinance amending Section 128 of the San Francisco Health Code to set the patient rates and other fees paid for services provided by the Department of Public Health, effective July 1, 2003.

Description: In accordance with the San Francisco Health Code, the proposed ordinance would establish patient rates for services provided by the Department of Public Health (DPH) for FY 2003-2004. DPH annually reviews its charges for patient services and makes adjustments. The proposed ordinance would establish DPH patient rates for San Francisco General Hospital (SFGH), Laguna Honda Hospital, Primary Care Clinics, Community Mental Health Services, Community Substance Abuse Services and for other Department of Public Health services. The rates in the proposed ordinance will take effect on July 1, 2003.

Attachment I to this report, provided by DPH, compares FY 2002-2003 patient rates with the proposed FY 2003-2004 patient rates. As shown in Attachment I, the proposed patient rates change from a low of 0 percent to a high of 43 percent with a majority of patient rates increasing approximately 10 percent.

According to a memorandum from Dr. Mitchell Katz, Director of Health, to the Health Commission, Attachment II, the proposed patient rate increases are based on a survey of patient rates charged by other Bay Area and Southern California medical centers, prevailing industry rates, and inflationary increases for services.

Comments: 1. According to Ms. Valerie Inouye, SFGH Chief Financial Officer, the DPH FY 2003-2004 budget is based on estimated patient revenues of $147,105,000, which is $6,106,000 or 4.3 percent more than projected FY 2002-2003 revenues of $140,999,000. Ms. Inouye advises that DPH estimates that $1,000,000 or 16.4 percent of the additional projected patient revenues of $6,106,000 will result from the patient rates listed in Attachment I. According to DPH, the remaining $5,106,000 in patient revenues is due to other revenue enhancement measures at DPH.

2. According to Dr. Katz in Attachment II, patient rates are the basis for reimbursement from third-party payers. According to Attachment II, private insurers, out-of-plan Health Maintenance Organizations (HMO), and patients with the ability to pay are charged the established patient rates. However, the third-party payers such as MediCal, Medicare, and HMO's typically pay less than established patient rates. According to Mr. Gregg Sass, DPH Chief Financial Officer, because patient rates do not reflect the actual amount DPH collects for any particular service, patient rates have been designed to recover the overall costs to DPH of providing patient services and, accordingly, patient rates are higher than the cost of services provided.

3. While there is no provision for the patient rates to be adjusted by the Consumer Price Index (CPI), as recommended by the Budget Analyst in the recent management audit of San Francisco General Hospital, Mr. Sass advises that the patient rate increases detailed in Attachment I are by and large approximately 10 percent in order to bring the rates up to industry standards and, therefore, the revised patient rates account for inflationary increases. According to Mr. Sass, the patient rates detailed in Attachment I produce over 80 percent of patient revenues. According to DPH, the remaining patient rates were not increased because rate increases were not supported by the patient rate survey noted previously.

Recommendation: Approve the proposed ordinance.

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 03-04
EFFECTIVE JULY 2003

TYPE OF SERVICE	UNITS OF SERVICE	RATE REVISED FY 02-03 EFFECTIVE JULY 1, 2002	RATE REVISED FY 03-04 EFFECTIVE JULY 1, 2003	PERCENT CHANGE
COMMUNITY HEALTH NETWORK				
San Francisco General Hospital				
Surgical Supplies		Special Price List	Special Price List	10%
Pharmacy (IP)		Special Price List	Special Price List	30%
Medical Supplies		Special Price List	Special Price List	10%
Diagnostic Radiology		Special Price List	Special Price List	10%
Clinical Lab		Special Price List	Special Price List	10%
Anatomic Pathology		Special Price List	Special Price List	10%
Surgical Services - Women's Options	Procedure	Special Price List	Special Price List	10%
All Other Special Services			Special Price List	0% - 30%
In-Patient Care				
Medical Surgical	Day	2,250	2,475	10%
Intensive Care	Day	4,500	4,950	10%
Intensive Care - Trauma	Day	4,500	4,950	10%
Coronary Care	Day	4,500	4,950	10%
Chest-Pulmonary	Day	3,750	4,125	10%
Stepdown Units	Day	3,250	3,575	10%
Pediatrics	Day	2,250	2,475	10%
Obstetrics	Day	2,250	2,475	10%
Nursery				
New Born	Day	1,150	1,265	10%
Observation/Well Baby	Day	2,000	2,200	10%
Semi-Intensive Care	Day	3,000	3,300	10%
Intensive Care	Day	4,500	4,950	10%
Labor/Delivery - 6G	Day	1,775	1,960	10%
Labor/Delivery Hours of Stay	Hour	100	110	10%
Psychiatric Inpatient	Day	2,250	2,475	10%
Psychiatric Forensic Inpatient - 7L	Day	2,250	2,475	10%
AIDS Unit - 5A	Day	2,250	2,475	10%
Security Unit - 7D	Day	2,250	2,475	10%
Skilled Nursing Facility	Day	900	990	10%
Mental Health Rehab. SNF	Day	900	990	10%
Respiratory Therapy				
O2 Therapy	per hour	10	11	10%
Surgical Services				
Minor Surgery Pre-Op Holding Room	Room	210	230	10%
Minor Surgery I (Come & Go)	1/4 Hour	300	330	10%
Minor Surgery I (Come & Go)	1/2 Hour	595	655	10%
Minor Surgery I (Come & Go)	3/4 Hour	900	990	10%
Minor Surgery I (Come & Go)	Full 1 Hour	1,175	1,295	10%
Minor Surgery I (Come & Go)	Ea. Add'l 1/4 Hr.	300	330	10%
Minor Surgery II	1st Hour	1,285	1,415	10%
Minor Surgery II	Ea. Add'l 1/2 Hr.	640	705	10%
Major Surgery Pre-Op Holding	Room	210	230	10%
Major Surgery I	1st Hour	1,935	2,130	10%
Major Surgery I	Add'l 1/2 Hour	675	745	10%
Major Surgery II	1st Hour	2,175	2,400	10%
Major Surgery II	Add'l 1/2 Hour	755	830	10%
Major Surgery III	1st Hour	2,420	2,670	10%
Major Surgery III	Add'l 1/2 Hour	895	985	10%
Extraordinary Surgery	1st Hour	2,660	2,930	10%
Extraordinary Surgery	Add'l 1/2 Hour	980	1,080	10%
Surgery (2 Teams)	Procedure	3,750	4,140	10%
Surgery (2 Teams)	Add'l 1/2 Hour	1,280	1,410	10%
Surgery (3 Teams)	Procedure	4,840	5,330	10%
Surgery (3 Teams)	Add'l 1/2 Hour	1,575	1,740	10%
Major Trauma III	First Hour	3,815	4,200	10%
Major Trauma III	Subsequent Hours	1,415	1,560	10%
Major Trauma II	First Hour	3,000	3,300	10%

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 03-04
EFFECTIVE JULY 2003

TYPE OF SERVICE	UNITS OF SERVICE	RATE REVISED FY 02-03 EFFECTIVE JULY 1, 2002	RATE REVISED FY 03-04 EFFECTIVE JULY 1, 2003	PERCENT CHANGE
Major Trauma II	Subsequent Hours	960	1,060	10%
Major Trauma I	First Hour	2,275	2,510	10%
Major Trauma I	Subsequent Hours	800	880	10%
Recovery Room	1st Hour	750	825	10%
Recovery Room	2nd Add'l Hour	180	200	11%
Recovery Room	3rd Add'l Hour	110	125	14%
Anesthesia	First 1/2 Hour	595	655	10%
Anesthesia	Add'l Minute	28	31	11%
Laser Treatment	Procedure	1,940	2,140	10%
Trauma Care				
Trauma Activation -Admitted/Expired	Visit	5,000	5,500	10%
Trauma Activation -Treated & Released	Visit	3,115	3,440	10%
Consultation	Visit	835	920	10%
Trauma Activation Pediatric - Admitted/Expired	Visit	5,000	5,500	10%
Trauma activation Pediatric - Treated & Releas	Visit	3,115	3,430	10%
Pediatric - Consultation	Visit	840	925	10%
Emergency Clinic				
Level I	Room	115	130	13%
Level II	Room	152	170	12%
Level III	Room	490	540	10%
Level IV	Room	945	1,040	10%
Level V	Room	1,410	1,555	10%
Level VI	Room	2,850	3,140	10%
Resuscitation		1,975	2,175	10%
Psychiatric Emergency Services				
Crisis Intervention - PES		410	450	10%
Crisis Stabilization - PES		90	100	11%
General Clinic				
Initial				
E/M Focused Exam	Visit	110	125	14%
E/M Expanded Exam	Visit	190	210	11%
E/M Detailed Exam	Visit	215	240	12%
E/M Comprehensive Exam	Visit	290	320	10%
E/M Complex Exam	Visit	360	400	11%
Targeted Case Management	Visit	300	330	10%
Established Patient				
E/M Brief Exam	Visit	70	80	14%
E/M Focused Exam	Visit	100	110	10%
E/M Expanded Exam	Visit	130	145	12%
E/M Detailed Exam	Visit	185	205	11%
E/M Comprehensive Exam	Visit	290	320	10%
Consultation				
E/M Focused Consult	Visit	95	105	10%
E/M Expanded Consult	Visit	155	170	10%
E/M Detailed Consult	Visit	155	170	10%
E/M Comprehensive Consult	Visit	205	225	10%
E/M Complex Consult	Visit	300	330	10%
Use of Exam Room - Brief Exam	Room	65	75	15%
Primary Care				
Initial				
E/M Focused Exam	Visit	110	125	14%
E/M Expanded Exam	Visit	140	155	11%
E/M Detailed Exam	Visit	205	225	10%
E/M Comprehensive Exam	Visit	255	280	10%
E/M Complex Exam	Visit	400	440	10%
Targeted Case Management	Visit	215	240	12%
Established Patient				
E/M Brief Exam	Visit	55	60	9%

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 03-04
EFFECTIVE JULY 2003

TYPE OF SERVICE	UNITS OF SERVICE	RATE REVISED FY 02-03 EFFECTIVE JULY 1, 2002	RATE REVISED FY 03-04 EFFECTIVE JULY 1, 2003	PERCENT CHANGE
E/M Focused Exam	Visit	80	90	13%
E/M Expanded Exam	Visit	130	145	12%
E/M Detailed Exam	Visit	205	225	10%
E/M Comprehensive Exam	Visit	240	255	10%
Dental Services				
Initial Complete Exam	Visit	50	55	10%
Periodic Exam	Visit	50	55	10%
Prophylaxis - Adult	Visit	65	75	15%
Prophylaxis - Child	Visit	60	70	17%
Extract Single Tooth	Visit	100	110	10%
One Surface, Permanent Tooth	Visit	80	90	13%
Home Health Services				
Skilled Nursing	Visit	153	170	11%
Home Health Aide Services	Visit	79	90	14%
Medical Social Services	Visit	213	235	10%
Physical Therapy	Visit	175	195	11%
Occupational Therapy	Visit	175	195	11%
Speech Therapy	Visit	177	195	10%
Laguna Honda Hospital				
In-Patient Care				
Regular Hospital Rates				
Acute	Day	1,490	1,675	12%
Rehabilitation	Day	1,490	1,675	12%
Skilled Nursing Facility	Day	360	400	11%
All Inclusive Rates				
Acute	Per Diem	1,760	1,975	12%
Rehabilitation	Per Diem	1,760	1,975	12%
Skilled Nursing Facility	Day	420	465	11%
POPULATION HEALTH & PREVENTION				
Community Mental Health Services				
24-Hour Service				
Inpatient	24 Hours	1,775	1,900	7%
Skilled Nursing	24 Hours	450	500	11%
Crisis Residential	24 Hours	280	300	7%
Residential	24 Hours	140	150	7%
Day Services				
Rehabilitation	Full Day	120	130	8%
Intensive	Full Day	190	205	8%
Intensive (Children)	Half Day	200	215	8%
Crisis Socialization	Hour	75	80	7%
Crisis Stabilization	Hour	90	100	11%
Socialization	Hour	30	35	17%
Outpatient Services				
Case Management Brokerage	Hour	110	120	9%
Mental Health Services	Hour	150	160	7%
Medication Support	Half Hour	130	140	8%
Crisis Intervention	Hour	240	260	8%
Community Substance Abuse				
Residential - Detoxification	24 Hours	91	100	9%
Residential - Basic	24 Hours	88	95	8%
Residential - Family	24 Hours	147	160	9%
Residential - Medical Support	24 Hours	217	235	8%
Recovery Home	24 Hours	74	80	9%
Therapeutic Community	24 Hours	84	90	7%
Outpatient (include Detox)	Per Contract	113	120	6%
Methadone Treatment	Hour	27	30	10%

DEPARTMENT OF PUBLIC HEALTH
PATIENT RATES
FY 03-04
EFFECTIVE JULY 2003

TYPE OF SERVICE	UNITS OF SERVICE	RATE REVISED FY 02-03 EFFECTIVE JULY 1, 2002	RATE REVISED FY 03-04 EFFECTIVE JULY 1, 2003	PERCENT CHANGE
Naltrexone Treatment	Per Contract	47	50	6%
Prevention/Intervention	Hour	55	60	10%
Day Care - Habilitative	Per Contract	118	125	6%
Vital Records				
Birth Record		Rates Per State of California	Rates Per State of California	
Death Record		Rates Per State of California	Rates Per State of California	
Permit - Disposition of Human Remains		Rates Per State of California	Rates Per State of California	
Passport Application	Per Application	Rates per U.S. Department of State	Rates per U.S. Department of State	
Passport Photo	Per 2 Photos	15	15	0%
Apostille Walk-thru				
Same Day - Initial Request per Client	Per Apostille	40	40	0%
Same Day - Add'l Request per Client	Per Apostille	20	20	0%
Out-of-County Certificate	Per Certificate	Market Rate + $10	Market Rate + $10	
Certificate Embossing	Per Embossing	5	7	40%
Death Certificate FAX Filing Fee - Mortuary (Under Contract)				
Per Reviewed Submission	Per Submission	5	5	0%
Per Accepted Certificate	Per Certificate	7	7	0%
Contract Change Order	Per Change Order	95	95	0%
National Adoption Resources Booklet	Per Booklet	2	2	0%
Letter of Non-Contagious Disease	Per Letter	7	10	43%
Document / Certificate Will-Call	Per Document	5	5	0%
Search of Historical Records (Pre 4/17/06)	Per Book	15	20	33%
Expedited Registration of Vital Event	Per Event	40	40	0%
DEPARTMENT OF PUBLIC HEALTH				
Electronic / Internet Transaction Fee	Per Transaction	5	5	0%
Telephone / FAX Transaction Fee	Per Transaction	5	5	0%
Expedited Delivery of Documents				
Regular Delivery - U.S. & International	Per Delivery	Market Rate + $5	Market Rate + $5	0%
Same Day - Greater Bay Area	Per Delivery	Market Rate + $5	Market Rate + $5	0%
Same Day - Other California	Per Delivery	Market Rate + $10	Market Rate + $10	0%
ADULT IMMUNIZATION CLINIC				
Vaccines				
Hepatitis A	Per Injection	42	42	0%
Hepatitis B	Per Injection	50	50	0%
Influenza	Per Injection	16	16	0%
Other Vaccines	Per Injection	Special Price List	Special Price List	

Attachment II
Page 1 of 2

City and County of San Francisco **Department of Public Health**

MEMORANDUM

DATE: May 6, 2003

TO: President Edward Chow, M.D.
and Honorable Members of the Health Commission

THROUGH: Mitchell Katz, M.D.
Director of Health

FROM: Gregg Sass
Chief Financial Officer

RE: **FY 03-04 Patient Rates**

Recommended Action

The Department of Public Health is requesting approval of revised patient rates for services provided by San Francisco General Hospital, Laguna Honda Hospital, Primary Care Clinics, Community Mental Health Services, Community Substance Abuse Services and the Department of Public Health. The proposed ordinance will revise Article 3 Section 128 of the San Francisco Health Code and will be effective July 1, 2003. If approved by the Health Commission, patient rates will be forwarded to the Board of Supervisors for approval.

Background

As required by the San Francisco Health Code, the Department of Public Health must determine reasonable rates charged to patients receiving services. Annually, the Department reviews patient rates and when appropriate, revises rates to recover the cost of providing services. A complete list of patient rates for all services provided by the Department of Public Health is contained in the Charge Description Master available in patient billing offices.

Proposed FY 03-04 Patient Rates

San Francisco General Hospital

Proposed increases in patient rates at San Francisco General Hospital range from 9% to 17%. Increases are based on a survey of patient rates charged by other Bay Area and Southern California medical centers for these services. In addition, special services such as surgical and medical supplies, pharmaceuticals, and other services are proposed to increase from 10% - 30%, based on industry standards. Rates for most of these special services were reviewed in a price survey undertaken by the hospital last year.

Laguna Honda Hospital
Proposed increases in rates at Laguna Honda Hospital range from 11% to 12% for acute, rehabilitation and skilled nursing facility services based on prevailing industry rates.

Community Mental Health Services
Proposed increases in patient rates charged for Community Mental Health Services range from 7% - 17%. Patient rates for mental health services are established to maximize reimbursement from the State.

Community Substance Abuse
Proposed increases in patient rates charged for Community Substance Abuse Services range from 6% - 10%. Patient rates for substance abuse services are based on maximum reimbursement rates for services.

Public Health
Rates for select services provided by Vital Records are proposed to increase from $2.00 - $5.00 (33% - 43%). These rates reflect inflationary increases for services. No increases are proposed for the Adult Immunization Clinic based on prevailing industry rates.

Fiscal Impact
Approval of the attached ordinance will revise rates charged to patients for health, mental health, substance abuse and other public health services. Patient charges serve as the basis for reimbursement from third party providers. However, reimbursement received from third party payors may differ from rates charged to patients. Typically, payors such as Medi-Cal, Medicare, and some Health Maintenance Organizations reimburse providers for services at rates that are lower than published charges. The payors that typically reimburse DPH at the published rates include out-of-plan HMO's, private insurers, and private pay patients with the ability to pay.

Reimbursement from third party providers is a significant source of revenues for the Department of Public Health. Revenue associated with FY 03-04 patient rates is estimated to be $1 million. This increase has been incorporated in the FY 03-04 budget.

Item 11 – File 03-0928

Department: Department of Public Health

Item: Hearing to consider release of reserved funds from the Department of Public Health's (DPH) FY 2002-2003 budget in the amount of $1,744,293 for Nursing Overtime and Laundry Operations at Laguna Honda Hospital.

Amount: $1,744,293

Source of Funds: Reserved funds in the Department of Public Health's FY 2002-2003 budget, as finally approved by the Board of Supervisors.

Description: During its consideration of the Department of Public Health's budget for FY 2002-2003, the Board of Supervisors reserved $491,380 for increased nursing staffing and $1,252,913 for off-site civil service laundry operations at Laguna Honda Hospital for a total of $1,744,293 in reserved funds. These two initiatives were expected to occur during the last six months of FY 2002-2003.

Comments: 1. According to Dr. Mitchell Katz, Director of Health, the reserved funds would be used to fund civil service operated laundry and nursing staffing at Laguna Honda Hospital. Dr. Katz advises that Laguna Honda Hospital has incurred excess overtime expenditures due to the hiring freeze on non-essential personnel. Dr. Katz reports that the reserved funds for laundry operations are required to fund $620,633 for salaries and fringe expenditures in FY 2002-2003. Further, according to Dr. Katz, $212,642 is required to fund over-expenditures in worker's compensation and utilities in FY 2003-2003 and $96,173 is required to fund replacement and expanded linen supplies. Additionally, DPH is requesting $263,800 of the reserved funds be released to enable the Department to encumber the funds for equipment lease purchase for FY 2003-2004 for the new off-site laundry facility and $59,665 to restore the Laguna Honda Hospital's FY 2002-2003 budget for transportation of patient supplies vehicles to $150,000, for a total need of $1,252,913.

According to Dr. Katz, Laguna Honda Hospital did not increase nursing staffing in FY 2002-2003 due to the inability to recruit nurses to fill the new positions. As a result, Dr. Katz advises that the $491,380 in reserved funds for increased nursing staffing is required to fund overtime expenditures incurred in FY 2002-2003.

The following table summarizes the DPH request for release of reserves:

Laundry Operations:	
Salaries and fringe benefits	$620,633
Services of other departments	212,642
Materials and supplies	96,173
Non-personal services	263,800
Vehicle purchase	59,665
	$1,252,913
Nursing Staffing:	
Salaries and fringe benefits (Nurse overtime)	491,380
Total Reserved Funds	$1,744,293

2. DPH received approval from the Budget Committee on June 11, 2003 for a $1,419,000 supplemental revenue appropriation to cover over-expenditures at Laguna Honda Hospital. Of this $1,419,000, $1,029,000 is to fund over expenditures in salaries and benefits and $390,000 is to fund over expenditures in workers' compensation. According to Dr. Katz, the supplemental revenue appropriation request was reduced by $1,744,293 in anticipation of approval for release of the subject requested reserved funds of $1,744,293. According to Dr. Katz, the Department will have a shortfall if the $1,744,293 release of reserved funds is not approved.

3. According to the Controller's Monthly Salary and Fringe Benefit Projection Report dated June 6, 2003, Laguna Honda Hospital will realize a year-end surplus in salaries and fringe benefits of $1,235,452. The Budget Analyst notes that this projected surplus does not include the additional $1,029,000 appropriation noted in Comment 2 above. According to Mr. James Alexander of DPH, two significant fringe benefit expenditures have not been included by the Controller projection report. Mr. Alexander advises that an additional $485,643 will be expended in FY 2003-2004 for a State program for wage pass-

throughs. Further, Mr. Alexander advises that the Health Service retirement subsidy projection is not representative of actual expenditures at the end of the year. Ms. Pamela Levin confirmed this and stated that these expenditures are projected to be an additional $797,930 in FY 2002-2003. Therefore, the Budget Analyst concludes that the projected surplus in salaries and fringe benefits at Laguna Honda Hospital will be approximately $980,879 ($1,235,452 plus $1,029,000 less $485,643 less $797,930). Therefore, DPH requires only $131,134 ($1,112,013, which consists of $620,633 for Laundry Operations and $491,380 for Nursing Staffing, less $980,879) of the reserved funds to cover over-expenditures in salaries and fringe benefits for Laguna Honda Hospital. The Budget Analyst notes that the reserved funds in the amount of $980,879 would be available to the Board of Supervisors for reallocation in the FY 2003-2004 budget.

4. According to Mr. Alexander, the requested reserves of $263,800 will fund a portion of the equipment required for the establishment of an off-site laundry facility to be operated with civil service personnel. However, DPH has not formalized an itemized listing of required equipment. Therefore, the Budget Analyst notes that these funds will not be required until FY 2003-2004.

Recommendations: Approve the release of reserved funds in the total amount of $763,414 and disapprove the requested remaining reserved funds of $980,879 ($1,744,293 request less $763,414) as follows:

(1) Approve the release of $131,134 of reserved funds for salaries and fringe benefits of the total of $1,112,013 requested for Laundry Operations ($620,633) and Nursing Staffing ($491,380).

(2) Approve the requested release of $96,173 for materials and supplies, $59,665 for capital outlay, and $212,642 for services of other departments. In total we are recommending approval of $763,414 of the requested $1,744,293.

(3) Disapprove the release of the remaining $980,879 of reserved funds for salaries and fringe benefits.

(4) Approve the requested release of $263,800 in reserved funds for non-personal services. In total we are recommending disapproval of $980,879 of the requested $1,744,293.

Item 12 - File 03-0992

Department: Department of Public Health

Item: Ordinance amending Section 10.100-218 of the Administrative Code to (1) permit unencumbered Tobacco Settlement Revenues received by the City and County of San Francisco (City) and deposited into the Tobacco Settlement Revenue Sub-account prior to the date of issuance of the City's bonded indebtedness authorized by the voters pursuant to Proposition A in November of 1999 to be used for a transfer to the General Fund in FY 2003-2004 for the payment of certain Department of Public Health expenses and (2) provide a guarantee of payment from the City's General Fund in the event that less than $100,000,000 of Tobacco Settlement Revenues are available to be expended on the Laguna Honda Hospital reconstruction project.

Amount: $25,005,645

Source of Funds: Tobacco Settlement Revenues

Description: In November 1999, the San Francisco electorate approved Proposition A, the Laguna Honda Replacement Project. Proposition A authorized the City to borrow up to $299,000,000 by issuing bonds or other evidences of indebtedness or by undertaking lease financing for the acquisition, improvement, or construction of a new health care, assisted living, or other type of continuing care facilities or facilities to replace Laguna Honda Hospital (Laguna Honda Project). Proposition A requires the annual Tobacco Settlement Revenues, less $1,000,000 set aside annually to fund smoking education and prevention programs, be used to offset the cost to property owners of financing the Laguna Honda Project.

According to the Voter Information Pamphlet for the November 1999 election, the Controller projected that debt service requirements would be $299,000,000 for the bonded indebtedness and $230,526,000 for bond interest, for a total cost of $529,526,000. The Controller estimated the increase in annual property taxes would be a maximum of $0.0411 per $100 of assessed valuation over twenty years, or $120.36 annually for the owner of a single family residence with an assessed value of $300,000. The Controller noted that the projected tax rate would be less to the extent that Tobacco Settlement Revenues are used for debt service.

The proposed ordinance would permit up to $25,005,645 in Tobacco Settlement Revenues to be transferred to the General Fund in FY 2003-2004 for appropriation in the Department of Public Health budget. The proposed ordinance provides for the repayment of up to $25,005,645 from the General Fund to the Laguna Honda Project to the extent that the total Tobacco Settlement Revenues to finance the Laguna Honda Project are less than $100,000,000.

Comments:

1. According to Ms. Monique Moyer of the Mayor's Office of Public Finance, Tobacco Settlement Revenues have greatly exceeded initial projections. A shown in the schedule provided by Ms. Moyer (Attachment), the Mayor's Office of Public Finance currently projects Tobacco Settlement Revenues to total $820,208,050 over 37 years, $237,993,333 or 40.9 percent greater than the original projection of $582,214,717 made in 1999.

The Voter Information Pamphlet for the November 1999 election stated that "the City expects to receive $347 million over the next 25 years." The Budget Analyst notes that, as shown in the Attachment, the Mayor's Office of Public Finance currently estimates that after 25 years Tobacco Settlement Revenues will exceed the initial projection of $347,345,002 by $137,549,722 or 39.6 percent in FY 2022-2023.

According to Ms Moyer, the Tobacco Settlement Revenues are exceeding initial projections due to a number of factors. Ms. Moyer advises that the initial revenue projections were discounted by 25 percent because of (a) uncertainty surrounding class action lawsuits against tobacco manufacturers, (b) an expected reduction in tobacco consumption caused by higher prices and anti-tobacco campaigns, and (c) a stable San Francisco population relative to increasing populations in other jurisdictions, which is the basis for Tobacco Settlement Revenue allocations between the State of California and its Counties.

2. As shown in the Attachment, the Mayor's Office of Public Finance reports actual Tobacco Settlement Revenues through June of 2003 plus projected interest earnings in FY 2003-2004 total $87,209,086, which is $25,005,645 or 40.2 percent greater than the $62,203,441 projection made in 1999.

3. According to Mr. Ben Rosenfield of the Mayor's Office of Finance and Legislative Affairs, the Mayor's Proposed Budget for FY 2003-2004 assumes that the $25,005,645 will be available to the General Fund and the $25,005,645 has been included in the FY 2003-2004 Department of Public Health budget.

4. The proposed ordinance provides a General Fund guarantee that at least $100,000,000 will be used to finance the Laguna Honda Project. The Budget Analyst estimates that, given the data provided in the Attachment, $85,460,836 in Tobacco Settlement Revenues have been received to date and, after the transfer of $25,005,645 to the General Fund, $60,455,191 would remain in the Tobacco Settlement Revenue Sub-account.

The Budget Analyst notes that the proposed FY 2003-2004 budget as recommended by the Mayor is balanced using the $25,005,645 as a one time source of funds. Should this proposed ordinance be approved, in future years, the estimated surplus revenue that can be used for the DPH budget will be significantly less than the $25,005,645 in FY 2003-2004, ranging from an estimated $1,742,605 in FY 2004-2005 to $8,127,043 in FY 2036-2037 as shown in the Attachment.

Recommendation: Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

Comparison of Net Expected TSRs 1999/2003

	Project Year	1999 Analysis Expected Net TSRs to CCSF	2003 Analysis (Actual 2000-2003) Net TSRs to CCSF	Difference	Cumulative Difference
	6/30/99	7,183,000.00		(7,183,000.00)	(7,183,000.00)
	6/30/00	11,510,616.60	*23,526,951.37*	12,016,334.77	4,833,334.77
	6/30/01	12,566,846.88	*18,455,008.85*	5,888,161.97	10,721,496.74
	6/30/02	15,359,138.49	*22,462,219.44*	7,103,080.95	17,824,577.69
	6/30/03	15,583,839.12	*21,016,656.76*	5,432,817.64	23,257,395.33
	6/30/04	Interest	1,748,249.27	1,748,249.27	25,005,644.60
2004	6/30/04	12,899,709.76	14,642,315.00	1,742,605.24	26,748,249.84
2005	6/30/05	12,958,783.53	17,214,348.60	4,255,565.07	31,003,814.91
2006	6/30/06	13,018,108.36	17,495,909.10	4,477,800.74	35,481,615.65
2007	6/30/07	13,077,685.32	17,762,859.00	4,685,173.68	40,166,789.33
2008	6/30/08	13,418,094.00	19,287,795.60	5,869,701.60	46,036,490.93
2009	6/30/09	13,479,370.00	19,576,512.90	6,097,142.90	52,133,633.83
2010	6/30/10	13,540,908.23	19,836,337.50	6,295,429.27	58,429,063.10
2011	6/30/11	13,602,707.09	20,119,626.00	6,516,918.91	64,945,982.01
2012	6/30/12	13,664,768.59	19,055,522.70	5,390,754.11	70,336,736.12
2013	6/30/13	13,727,093.86	19,306,963.80	5,579,869.94	75,916,606.06
2014	6/30/14	13,789,684.01	19,552,230.90	5,762,546.89	81,679,152.95
2015	6/30/15	13,852,540.17	19,792,973.70	5,940,433.53	87,619,586.48
2016	6/30/16	13,915,663.46	20,072,450.70	6,156,787.24	93,776,373.72
2017	6/30/17	13,979,055.03	20,352,023.10	6,372,968.07	100,149,341.79
2018	6/30/18	15,856,117.30	22,028,149.80	6,172,032.50	106,321,374.29
2019	6/30/19	15,927,755.79	22,319,952.30	6,392,196.51	112,713,570.80
2020	6/30/20	15,999,698.76	22,604,700.00	6,605,001.24	119,318,572.04
2021	6/30/21	16,071,947.48	22,915,819.80	6,843,872.32	126,162,444.36
2022	6/30/22	16,144,503.25	21,723,800.00	5,579,296.75	131,741,741.11
2023	6/30/23	16,217,367.39	22,025,348.00	5,807,980.61	137,549,721.72
2024	6/30/24	16,290,541.20	22,326,900.00	6,036,358.80	143,586,080.52
2025	6/30/25	16,364,026.00	22,654,980.00	6,290,954.00	149,877,034.52
2026	6/30/26	16,437,823.11	22,985,820.00	6,547,996.89	156,425,031.41
2027	6/30/27	16,511,933.86	23,323,972.50	6,812,038.64	163,237,070.05
2028	6/30/28	16,586,359.58	23,669,614.80	7,083,255.22	170,320,325.27
2029	6/30/29	16,661,101.61	24,022,931.00	7,361,829.39	177,682,154.66
2030	6/30/30	16,736,161.29	24,381,729.00	7,645,567.71	185,327,722.37
2031	6/30/31	16,811,539.98	24,746,101.00	7,934,561.02	193,262,283.39
2032	6/30/32	16,887,239.02	23,662,823.00	6,775,583.98	200,037,867.37
2033	6/30/33	16,963,259.79	24,012,198.00	7,048,938.21	207,086,805.58
2034	6/30/34	17,039,603.64	24,366,960.00	7,327,356.36	214,414,161.94
2035	6/30/35	17,116,271.96	24,722,379.00	7,606,107.04	222,020,268.98
2036	6/30/36	17,193,266.11	25,039,287.00	7,846,020.89	229,866,289.87
2037	6/30/37	17,270,587.49	25,397,631.00	8,127,043.51	237,993,333.38
		582,214,717.11	**820,208,050.49**		

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: CHF – CHILDREN, YOUTH & THEIR FAMILIES

FINANCIAL DATA:

The Department of Children, Youth & Their Families proposed $43,690,701 budget for FY 2003-2004 is $1,425,570 or 3.2 percent less than the original FY 2002-2003 budget of $45,116,271. The net decrease from the revised FY 2002-2003 budget is $1,792,302 or 3.9 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
CHILDREN'S SVCS - NON-CHILDREN'S FUND	$ 717,037	$ 1,063,769	$ 731,823	$ 14,786
CHILDREN'S FUND PROGRAMS	31,902,101	31,997,101	28,276,000	(3,626,101)
CHILDREN'S BASELINE	10,834,961	10,759,961	13,146,206	2,311,245
Net Expenditures	$ 43,454,099	$ 43,820,831	$ 42,154,029	$ (1,300,070)
Work Order Recoveries	1,662,172	1,662,172	1,536,672	(125,500)
Total Expenditures	$ 45,116,271	$ 45,483,003	$ 43,690,701	$ (1,425,570)

DEPARTMENT PERSONNEL SUMMARY:

The department has not budgeted for any lay-offs in FY 2003-2004. The number of full-time equivalent positions budgeted for FY 2003-2004 is 36.45 FTEs, which is 0.42 FTE more than the 36.03 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CHILDREN'S SVCS - NON-CHILDREN'S FUND	6.50	6.00	(0.50)
CHILDREN'S FUND PROGRAMS	22.53	23.54	1.01
CHILDREN'S BASELINE	7.00	6.91	(0.09)
Totals	36.03	36.45	0.42

The net increase in FTE count of 0.42 includes the annualization of two positions offset by a small increase in attrition savings.

Department: **CHF – CHILDREN, YOUTH & THEIR FAMILIES (continued)**

DEPARTMENT REVENUES

Department revenues have decreased by $1,425,570 or 3.2 percent and General Fund support has increased by $3,225,696 or 32.9 percent. The majority of the increase in General Fund support is due to the $3,029,609 allocated to fund the Healthy Kids Program. For FY 2003-2004, funding for this program, totaling $3,029,609, will be transferred from the Children's Fund to the General Fund. Expenditures of $3,029,609 for the Healthy Kids Program, which is funded as a work order to the Department of Public Health, remain the same in FY 2003-2004 as in FY 2002-2003.

Much of the decrease in overall revenue is due to a decrease of $3,626,101 from the original FY 2002-2003 allocation of the Children's Fund, a Charter-mandated Property Tax set aside from Unallocated General Property Taxes for the Children's Fund. Revenue has also decreased due to the completion of grants that expire at the end of FY 2002-2003. The monies in the Children's Fund, which total $27,702,000 for FY 2003-04 have been set aside for specific program purposes in accordance with the City Charter. Proposition D, which was approved on November 7, 2000, extended the Children's Fund until June 30, 2016.

In addition, Proposition D designated a new Children's Baseline, a required level for City-wide appropriation for children's services, which mandates that the City annually appropriate General Fund revenues to children's services at no less than the amount of General Fund revenues appropriated in FY 2000-01. For FY 2003-2004, the total required City-wide appropriation of Children's Baseline is approximately $70,050,000. However, the Controller's Office reports that the actual amount included in the FY 2003-2004 budget is $75,073,435 or an estimated $5,023,435 more of primarily General Fund revenues than required by the City's Charter. The Children, Youth and Their Families budget includes $13,146,206 in Children's Baseline funding.

DESCRIPTION

In FY 2003-2004, the Department's proposed budget shows a decrease of $1,425,570 in total expenditures. This decrease is a result of the following: (a) a decrease of $2,638,265 in Professional and Specialized Services, (b) a decrease of $2,132,323 in Other Current Expenses, (c) an increase in City Grants of $2,702,120 as monies from Professional and Specialized Services and Other Current Expenses have been shifted to City Grants to better reflect their use, (d) an increase of $590,180 in expenditures for Services of Other Departments due to collaborative projects with the Department of Public Health and the Department of Health and Human Services, (e) an increase in Permanent Salaries of $137,886 due to various substitutions and reclassifications, including civil service conversions as well as the annualization of positions, (f) a decrease of $79,767 in Mandatory Fringe Benefits, (g) a total decrease in expenditures for Travel and Materials and Supplies of $22,669, and (h) an increase in Rent of $17,268.

In FY 2002-2003, the Board of Supervisors approved targeted addbacks totaling $263,000 for five community-based programs within the City Grants Program in the Department's budget. This $263,000 for community-based programs in City Grants was also included in the proposed 2003-2004 budget. Any reduction to these grant programs is a policy matter for the Board of Supervisors.

In FY 2002-2003 City General Fund monies provided to the County Education Office for arts, sports and music programs for elementary and secondary school students were appropriated to the Department of Children, Youth and Their Families (DCYF) to be paid to the San Francisco Unified School District (SFUSD) on a reimbursement basis. For FY 2003-2004, a total of $4,002,216 has been appropriated to the new Public Education Special Fund (Ordinance No. 88-03), which is the same amount as was allocated to the SFUSD in FY 2002-2003.

RECOMMENDATIONS OF THE BUDGET COMMITTEE FOR AMENDMENT OF BUDGET ITEMS

2002-03

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partment: CHF - Children, Youth and Their Families

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
3I								
59	001	Permanent Salaries - Misc.				$1,683,042	$1,620,523	*

* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
66	001	Manager III	923	(1.0)	0.0	(96,511)	0	(96,511)
67	001	Manager IV	931	1.0	0.0	103,866	0	103,866

Deny requested upward substitution because it neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. This recommended reduction would result in a net permanent salaries savings of $7,355.

ge o.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
66	001	Special Assistant IX	1368	(1.0)	(1.0)	(67,592)	(67,592)	0
67	001	Senior Admin Analyst	1823	1.0	2.0	77,504	155,008	(77,504)
67	001	Principal Admin Analys	1824	1.0	0.0	90,580	0	90,580

Approve the Civil Service conversion of a 1368 Special Assistant IX to a 1823 Senior Administrative Analyst; however, deny the requested upward substitution of an 1823 Senior Administrative Analyst to a 1824 Principal Administrative Analyst because it neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. This recommended reduction would result in a net permanent salaries savings of $13,076.

Department: CHF - Children, Youth and Their Families

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1766	001	Special Assistant X	1369	(1.0)	(1.0)	(73,075)	(73,075)	0
1767	001	Senior Admin Analyst	1823	0.0	1.0	0	77,504	(77,504)
1767	001	Principal Admin Analys	1824	1.0	0.0	90,580	0	90,580
		Approve the Civil Service conversion of a 1369 Special Assistant X to a 1823 Senior Administrative Analyst; however, deny the requested upward substitution of an 1823 Senior Administrative Analyst to an 1824 Principal Administrative Analyst because it neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. This recommended reduction would result in a net permanent salaries savings of $13,076.						
1767	001	Junior Man. Assistant	1840	1.0	2.0	54,784	109,568	(54,784)
1767	001	Management Assistant	1842	6.0	5.0	373,176	310,980	62,196
		Deny requested upward substitution because it neither fulfills a legal mandate, generates additional revenues, nor achieves savings elsewhere in the Department's budget. This recommended reduction would result in a net permanent salaries savings of $7,412.						
1767	001	Attrition Savings	9993M	(0.5)	(2.3)	(32,112)	(53,712)	$21,600
		Adjust Attrition Savings to a level of 3.0 percent of Permanent Salaries to more accurately reflect anticipated attrition rate for FY 2003-2004.						
1759	013	Mandatory Fringe Benefits				339,460	327,581	11,879
		Corresponds to the reduction in Permanent Salaries - Misc.						
		Total Recommended Reductions						**$74,398**

REVISED, 6/26/03

RECOMMENDATIONS OF THE BUDGET ANALY
AMENDMENT OF BUDGET ITEMS
2003-2004

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

Department: **Red - San Francisco Redevelopment Agency (SFRA)**

REDEVELOPMENT PROJECT AREAS:

A Project Area is a designated redevelopment area, which was approved by the Board of Supervisors. As shown in the table below, there are 13 existing Project Areas, for which the Redevelopment Agency's proposed budget for FY 2003-04 of $103,182,000, is $21,826,000, or 26.8 percent, more than the approved budget of $81,356,000 for FY 2002-03. Changes to individual projects programs are as follows:

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(Dollars in Thousands)

Existing Program Areas	Approved Budget FY 2002-2003	Proposed Budget FY 2003-2004	Proposed Increase (Decrease)
Mission Bay South	$ 1,536	$ 2,409	$ 873
Mission Bay North	3,614	10,302	6,688
Rincon Point - South Beach	7,834	9,374	1,540
Golden Gateway	9,806	13,258	3,452
South of Market	12,777	14,374	1,597
Western Addition, A2	18,423	14,675	(3,748)
South Beach Harbor	3,107	2,998	(109)
Yerba Buena Gardens & Center for the Arts	7,960	7,783	(177)
India Basin	479	456	(23)
Hunters Point	1,039	1,353	314
Hunters Point Shipyard	3,381	4,292	911
Federal Office Building (GSA	48	0	(48)
Yerba Buena Center	11,352	21,908	10,556
Total	$ 81,356	$ 103,182	$ 21,826

According to the SFRA, the Project Areas, such as Mission Bay North & South will not be completed until 2028 and Hunters Point Shipyard will not be completed until 2027. These new project areas will require continuing financial assistance throughout their life.

According to the SFRA, the South of Market Plan expires in 2010 and will need financial assistance in the form of tax increment throughout the life of the Plan. Except for low and moderate-income housing, the SFRA's financing requirements are minimal beyond fiscal year 2003/04 for Hunters Point, India Basin, Rincon Point-South Beach, Yerba Buena Center, and Western Addition A2. According to Mario Menchini of the San Francisco Redevelopment Agency, the SFRA's ability to finance improvements with tax increment in these project areas ceases January 1, 2004, even though land use authority remains with the SFRA for another five years, except Rincon Point-South Beach, which expires January 5, 2021.

Department: **Red - San Francisco Redevelopment Agency (SFRA)**

82.8 percent will directly fund SFRA Work Program Activities. The Bond financing request would be used as follows:

Description	**Amount**
Construction Fund	$50,489,000
Costs of Issuance (includes financial advisor, bond counsel, printing, trustee, rating agencies and other miscellaneous expenses)	200,000
Original Issue Discount	308,891
Debt Service Reserve Fund	6,177,818
Insurance	877,043
Underwriters Discount	617,782
Capitalized Interest	2,265,200
Contingency (required since actual finance costs are not presently known)	64,266
Total	$61,000,000

Recommendations:

1. Amend the SFRA's proposed FY 2003-04 budget in accordance with the Budget Analyst's recommended reductions of $280,630 on the following pages.

2. Approve the SFRA budget as amended and approve the issuance of SFRA bonds not to exceed $61,000,000 (File No. 03-0985).

City and County of San Francisco
Meeting Minutes
Budget Committee

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma and Matt Gonzalez

Clerk: Victor Young

Friday, June 27, 2003 **10:15 AM** **Legislative Chambers, Second Floor**

Recessed Meeting

Members Present: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma, Matt Gonzalez.

Meeting Convened

The meeting reconvened at 10:21 a.m.

Supervisor Dufty was noted present 11:37 a.m.

At the hour of 11:37 a.m. quorum of the Board of Supervisors was noted present. The Budget Committee meeting is now convened as a Special Board of Supervisors meeting.

At the hour of 2:09 p.m. the Special Board of Supervisors meeting adjourned due to lack of quorum.

REGULAR AGENDA

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030786 [Annual Budget, Fiscal Year 2003-04]

Mayor

Hearing to consider the Mayor's proposed 2003-04 budget for the City and County of San Francisco. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR.

6/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

6/25/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Lois Renne; Mr. Miller; Rachael Annison; Denise McCarthey; Lin Jackovich; male speaker; Rebeca Silverberg; Sedina Baldwin; David Drell; Sandy Tong; Brian Hennen; Ms. Nuso; Meloney Allen, Jean Nickleson; Cladia Jason; David Anderson; male speaker; Steve Marki; Sara Bin; Beverly Upton; Mathew McDolton; Melisa Say; Diana Lum; Alisa VanNort; Mary Harris; female speaker; Michael Fredon; Jim Corigan; Alma Robison; Juiles Roy; Shawka Diek; Peter Green; Mike Greg; Carl Warren; Mike Gonzalez; James Green; Frank Kelly, Local 798; Tony Sacco; Debra Rebel, Local 21; Chris Amaro; Joe Wilson, Coleman Advocates; Carmen Lewis; Marshall Philips; Sara Loreson; John Darmin; Fay Row; Barbara Blong; Dilbert Scott; John Hanley; Scott Peoples; male speaker; David Johnson; Mike Delane; Robert Blane; Brett Everett; Paul Conroy.

6/26/03, MEETING RECESSED. Heard in Committee. Speaker: Hariett Syskin; Ann Ahern; Ntanya Lee; Chirs Omaro; Alexis Parris; Gail Silba; Dr. Vila; Rena Sasolta; Lida Chow; Pierce McKinsy; Patricia Reed; Leslie Will; Barbara Lopez; Steve Cockral; Barbara Blong; Delbert Scott; Kathleen Kopp; Al Fernandez; female speaker; Edwin Zane; female speaker; Ms. Savijenti; Cynthia Petigori; Marilyn Anene; male speaker; female speaker (translated); female speaker(trnslated); female speaker(trnslated); Eng Ru; Lois Scott; Ed Harrington, Controller; Jim Ellie; Ms. VanDam; Valerie Etkins; Emilo Valmo; Martha Collin; Michael Lyon; Ed Pelao; Timothy Bradley; Ed Kinchley, Local 790; Van; Heather Hotchkins; Brother Jefferson; male speaker; Jenifer Friedenbach; Jackie Jenks; Judy Burkowich; Betty Finkel; Ed Harrington, Controller; Harvey Rose, Budget Analyst.

Meeting recessed to June 27, 2003, at 10:15 a.m.

Action noted on the Budget Committee Special Meeting Minutes scheduled for June 27, 2003, at 9:30 a.m.

030787 **[Government Funding, Fiscal Year 2003-04]**

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 2004. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR.

6/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

6/25/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Lois Renne; Mr. Miller; Rachael Annison; Denise McCarthey; Lin Jackovich; male speaker; Rebeca Silverberg; Sedina Baldwin; David Drell; Sandy Tong; Brian Hennen; Ms. Nuso; Meloney Allen; Jean Nickleson; Cladia Jason; David Anderson; male speaker; Steve Marki; Sara Bin; Beverly Upton; Mathew McDolton; Melisa Say; Diana Lum; Alisa VanNort; Mary Harris; female speaker; Michael Fredon; Jim Corigan; Alma Robison; Juiles Roy; Shawka Diek; Peter Green; Mike Greg; Carl Warren; Mike Gonzalez; James Green; Frank Kelly, Local 798; Tony Sacco; Debra Rebel, Local 21; Chris Amaro; Joe Wilson, Coleman Advocates; Carmen Lewis; Marshall Philips; Sara Loreson; John Darmin; Fay Row; Barbara Blong; Dilbert Scott; John Hanley; Scott Peoples; male speaker; David Johnson; Mike Delane; Robert Blane; Brett Everett; Paul Conroy.

6/26/03, MEETING RECESSED. Heard in Committee. Speaker: Hariett Syskin; Ann Ahern; Ntanya Lee; Chirs Omaro; Alexis Parris; Gail Silba; Dr. Vila; Rena Sasolta; Lida Chow; Pierce McKinsy; Patricia Reed; Leslie Will; Barbara Lopez; Steve Cockral; Barbara Blong; Delbert Scott; Kathleen Kopp; Al Fernandez; female speaker; Edwin Zane; female speaker; Ms. Savijenti; Cynthia Petigori; Marilyn Anene; male speaker; female speaker (translated); female speaker(trnslated); female speaker(trnslated); Eng Ru; Lois Scott; Ed Harrington, Controller; Jim Ellie; Ms. VanDam; Valerie Etkins; Emilo Valmo; Martha Collin; Michael Lyon; Ed Pelao; Timothy Bradley; Ed Kinchley, Local 790; Van; Heather Hotchkins; Brother Jefferson; male speaker; Jenifer Friedenbach; Jackie Jenks; Judy Burkowich; Betty Finkel; Ed Harrington, Controller; Harvey Rose, Budget Analyst.

Meeting recessed to June 27, 2003, at 10:15 a.m.

Action noted on the Budget Committee Special Meeting Minutes scheduled for June 27, 2003, at 9:30 a.m.

030788 **[Public Employment, Fiscal Year 2003-04]**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the Fiscal Year ending June 30, 2004, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor. (Human Resources Department)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Commitee. Speakers: Ken Bruce, Budget Analyst's Office; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR.

6/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky, Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

6/25/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Lois Renne; Mr. Miller; Rachael Annison; Denise McCarthey; Lin Jackovich; male speaker; Rebeca Silverberg; Sedina Baldwin; David Drell; Sandy Tong; Brian Hennen; Ms. Nuso; Meloney Allen; Jean Nickleson; Cladia Jason; David Anderson; male speaker; Steve Marki; Sara Bin; Beverly Upton; Mathew McDolton; Melisa Say; Diana Lum; Alisa VanNort; Mary Harris; female speaker; Michael Fredon; Jim Corigan; Alma Robison; Juiles Roy; Shawka Diek; Peter Green; Mike Greg; Carl Warren; Mike Gonzalez; James Green; Frank Kelly, Local 798; Tony Sacco; Debra Rebel, Local 21; Chris Amaro; Joe Wilson, Coleman Advocates; Carmen Lewis; Marshall Philips; Sara Loreson; John Darmin; Fay Row; Barbara Blong; Dilbert Scott; John Hanley; Scott Peoples; male speaker; David Johnson; Mike Delane; Robert Blane; Brett Everett; Paul Conroy.

6/26/03, MEETING RECESSED. Heard in Committee. Speaker: Hariett Syskin; Ann Ahern; Ntanya Lee; Chirs Omaro; Alexis Parris; Gail Silba; Dr. Vila; Rena Sasolta; Lida Chow; Pierce McKinsy; Patricia Reed; Leslie Will; Barbara Lopez; Steve Cockral; Barbara Blong; Delbert Scott; Kathleen Kopp; Al Fernandez; female speaker; Edwin Zane; female speaker; Ms. Savijenti; Cynthia Petigori; Marilyn Anene; male speaker; female speaker (translated); female speaker(trnslated); female speaker(trnslated); Eng Ru; Lois Scott; Ed Harrington, Controller; Jim Ellie; Ms. VanDam; Valerie Etkins; Emilo Valmo; Martha Collin; Michael Lyon; Ed Pelao; Timothy Bradley; Ed Kinchley, Local 790; Van; Heather Hotchkins; Brother Jefferson; male speaker; Jenifer Friedenbach; Jackie Jenks; Judy Burkowich; Betty Finkel; Ed Harrington, Controller; Harvey Rose, Budget Analyst.

Meeting recessed to June 27, 2003, at 10:15 a.m.

Action noted on the Budget Committee Special Meeting Minutes scheduled for June 27, 2003, at 9:30 a.m.

031028 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for the Board of Supervisors, Mayor, City Attorney, Public Defender, District Attorney, Juvenile Probation, Environment, Planning, Adult and Aging Services, and Trial Courts for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/11/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Terence Hallinan, District Attorney; Teresa Saki, District Attorney's Office; Ben Rosenfield, Mayor's Office; City Attorney; Ed Harrington, Controller; Jeff Adachi, Public Defender; Jesse Williams, Chief Juvenile Probation Officer, Juvenile Probation; Darrick Lam, Executive Director, Adult and Aging Services; Jared Blumenfeld, Director, Department of the Environment; Gerald Green, Director, Planning Department; male speaker, Trial Courts.

6/26/03, MEETING RECESSED. Heard in Committee. Speakers: Gloria L. Young, Clerk of the Board, Board of Supervisors; Harvey Rose, Budget Analyst; Frank Darby, Records and Information Manager, Board of Supervisors; Ed Harrington, Controller; Steve Kawa, Deputy Chief of Staff, Mayor's Office; Debra Newman, Budget Analyst's Office; Monique Zmuda, Deputy Controller; Dennis Herrera, City Attorney; Brenda Lopez, Director, DCYTF; Jared Blumenfeld, Director, Department of the Environment; Teresa Sarata, District Attorney's Office; Severne Campell, Budget Analyst's Office; Katherine Petrucione, Mayor's Office; Linda Clee, District Attorney's Office; Ms. Tucker, Juvenile Probation; Ben Rosenfield, Mayor's Office; Darrick Lam, Executive Director, Adult and Aging Services; Mr. Lai, Trial Courts; Kieu-anh King, Mayor's Office; Michael Burn, Executive Director, MTA.

Meeting recessed to June 27, 2003, at 10:15 a.m.

Heard in Committee. Speakers: Gerard Green, Director, Planning Department; Debra Newman, Budget Analyst's Office; Harvey Rose, Budget Analyst; Supervisor Dufty; Elaine Forbes, Budget Analyst's Office; Katherine Petrucione, Mayor's Office; Ken Bruce, Budget Analyst's Office; Debra Newman, Budget Analyst's Office; Gloria Young, Clerk of the Board; Bill Barnes, aide to Supervisor Daly.

FILED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

031029 **[Budget Hearing and Review, FY 2003-04]**

Supervisor Daly

Hearing to consider the Annual Budget for the Assessor/Recorder, Recreation and Park Department, Public Health, Children Youth and Families, Taxicab Commission, and Municipal Transportation Agency for fiscal year 2003-2004.

6/3/03, RECEIVED AND ASSIGNED to Budget Committee.

6/11/03, CONTINUED. Heard in Committee. Speakers: Mabel Teng, Assessor; Ed Harrington, Controller; Elizabeth Goldstein, Recreation and Parks Dept.; Michael Frank; Dr. Mitchell Katz, Director, Public Health; Aaron Brantly, Mayor's Office; Greg Sass, Chief Financial Officer, Pubic Health; Ben Rosenfield, Mayor's Office; Monique Zmuda, Deputy Controller, Controller's Office; Nani Coloretti, Director of Budget, Planning and Policy, Children Youth and Families; Michael Burns, MUNI; Gerald Norman, Director, Parking and Traffic; Julia Dawson, Parking and Traffic.

6/26/03, MEETING RECESSED. Heard in Committee. Speakers: Mabel Teng, Assessor/Recorder; Harvey Rose, Budget Analyst; Ken Bruce, Budget Analyst's Office; Sara Graham, Budget Analyst's Office; male speaker, Assessor's Office; Elizabeth Goldstein, General Manager, Recreation and Parks; Ted Lakey, Deputy City Attorney; Monique, Zmunda, Deputy Controller; Dr. Mitchell Katz, Director, Public Health; Barbara Garcia, Deputy Director, Public Health.

Meeting recessed to June 27, 2003, at 10:15 a.m

FILED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030747 **[Fee Schedule Amendments - Planning Department]**

Ordinance amending the San Francisco Administrative Code by amending Chapter 31, Article IV to increase fees for services, and making environmental findings. (Planning Department)

(6/17/02 in Board: The Mayor submitted a substitute ordinance bearing new title. No Public Benefit Recipient. No fiscal impact.)

4/28/03, RECEIVED AND ASSIGNED to Budget Committee.

6/17/03, SUBSTITUTED. The Mayor submitted a substitute ordinance bearing new title.

6/17/03, ASSIGNED to Budget Committee. Sponsor requests this item be scheduled for consideration at the June 26, 2003 meeting.

6/26/03, MEETING RECESSED.
Meeting recessed to June 27, 2003, at 10:15 a.m.

TABLED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

030748 **[Fee Schedule Amendments - Planning Department]**

Ordinance amending the San Francisco Planning Code by amending Article 3.5 to increase fees for services, and making environmental findings. (Planning Department)

(6/17/03 in Board: The Mayor submitted a substitute ordinance bearing new title. No Public Benefit Recipient. No fiscal impact.)

4/28/03, RECEIVED AND ASSIGNED to Budget Committee

6/17/03, SUBSTITUTED. The Mayor submitted a substitute ordinance bearing new title.

6/17/03, ASSIGNED to Budget Committee. Sponsor requests this item be scheduled for consideration at the June 26, 2003 meeting.

6/26/03, MEETING RECESSED.
Meeting recessed to June 27, 2003, at 10:15 a.m.

TABLED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

SPECIAL ORDER - 2:00 PM

030928 **[Reserved Funds, DPH-Laguna Honda]**

Hearing to consider release of reserved funds, Department of Public Health fiscal year 2002-2003 budget, in the amount of $1,744,293 for the Laguna Honda laundry and nursing services. (Public Health Department)

5/27/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.

6/4/03, TRANSFERRED to Budget Committee

6/26/03, MEETING RECESSED. Heard in Committee. Speakers: Gregg Sass, Public Health; Ken Bruce, Budget Analyst's Office

Recess to June 27, 2003 at 2:00 p.m

Heard in Committee. Speakers: Ken Bruce, Budget Analyst's Office.
Release of reserves in the amount of $1,544,293 approved.

APPROVED AND FILED by the following vote:

Ayes: 5 - Daly, Peskin, Maxwell, Ma, Gonzalez

ADJOURNMENT

The meeting adjourned at 2:50 a.m.

[Budget Analyst Report]
Susan Hom
Main Library-Govt. Doc. Section

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

June 25, 2003

DOCUMENTS DEPT.
JUN 30 2003
SAN FRANCISCO
PUBLIC LIBRARY

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: Recommendations of the Budget Analyst for Amendment of the Mayor's Fiscal Year 2003-2004 Budget.

The Budget Analyst is providing the attached budget recommendations for departments listed below which are the subject of the Budget Committee budget hearing.

Budget Committee Budget Hearing-June 27, 2003

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Special Order 10:15 a.m.

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SCI Academy of Sciences ... 7
AAM Asian Art Museum ... 9
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HRC Human Rights Commission 22
SHR Sheriff 25
POL Police 35
ECN Public Finance and Business Affairs 47
PAB Board of Appeals 50
LLB Law Library 55
RED Redevelopment Agency 57
Treasure Island 66

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Maxwell
Supervisor Ma
President Gonzalez
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: ART – ART COMMISSION

FINANCIAL DATA:

The Art Commission's proposed $7,612,118 budget for FY 2003-2004 is $776,257 or 9.25 percent less than the original FY 2002-2003 budget of $8,388,375. The net decrease from the revised FY 2002-2003 budget is $ 699,072 or 8.41 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
ADMINISTRATION	$ 1,012,142	$ 1,012,142	$ 766,041	$ (246,101)
STREET ARTISTS	166,436	166,436	156,317	(10,119)
PUBLIC ART	104,175	(71,110)	117,193	13,018
COMMUNITY ARTS & EDUCATION	2,464,167	2,464,167	2,274,774	(189,393)
CULTURAL EQUITY	2,162,000	2,162,000	1,993,000	(169,000)
MUNICIPAL SYMPHONY CONCERTS	1,211,979	1,211,979	1,211,979	-
CIVIC COLLECTION	10,000	108,100	10,000	-
GALLERY	15,000	15,000	15,000	-
ADMINISTRATION	-	-	-	-
Net Expenditures	$ 7,145,899	$ 7,068,714	$ 6,544,304	$ (601,595)
Work Order Recoveries	1,242,476	1,242,476	1,067,814	(174,662)
Total Expenditures	$ 8,388,375	$ 8,311,190	$ 7,612,118	$ (776,257)
Less: Capital and Facilities Maint.	85,000	183,100	85,000	-
Total Operating Budget	$ 8,303,375	$ 8,128,090	$ 7,527,118	$ (776,257)

DEPARTMENT: ART – ART COMMISSION

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-2004 is 22.35 FTEs, which is 1.29 FTEs less than the 23.64 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
ADMINISTRATION	9.14	6.45	(2.69)
STREET ARTISTS	2.00	2.00	0.00
PUBLIC ART	9.00	7.00	(2.00)
COMMUNITY ARTS & EDUCATION	1.50	4.80	3.30
CULTURAL EQUITY	2.00	2.10	0.10
GALLERY	0.00	0.00	0.00
Totals	23.64	22.35	(1.29)

The Department has budgeted for three layoffs for FY 2003-2004 as follows: 1.00 FTE 3542 Curator II, 1.00 FTE 1312 Public Information Officer and 0.60 FTE 1632 Senior Account Clerk. The deletion of 0.60 FTE Senior Account Clerk will result in a layoff of a full-time employee. However, a 0.40 FTE Senior 1632 Account Clerk will remain in the Department's budget and the Department plans to hire a part-time 1632 Senior Account Clerk to fill that position during FY 2003-2004. The deletion of the 2.60 FTE is offset by various changes to attrition savings and non-operating positions.

DEPARTMENT REVENUES

Department revenues have decreased by $305,494 or 6.38 percent and General Fund support has decreased by $296,101 or 12.6 percent.

DESCRIPTION

In FY 2003-2004, the Department's proposed budget shows a net decrease of $776,257, which is a result of the following changes: (a) Permanent Salaries is decreasing by $39,906, (b) Mandatory Fringe Benefits is decreasing by $88,291, (c) Entertainment and Promotion is decreasing by $1,010,344, from $1,010,344 to zero, because expenditures for the Municipal Symphony Concerts have been transferred from Entertainment and Promotion to the City Grants Program, (d) Professional & Specialized Services is decreasing by $403,483, (e) Other Current Expenses is decreasing by $187,571, (f) the City Grants Program is increasing by $943,943, which is largely related to the transfer for expenditures for the Municipal Symphony Concerts from Entertainment and Promotion to the City Grants Program, (g) Materials & Supplies is decreasing by a total of $9,592, and (h) Services of Other Departments is increasing by $18,987.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

epartment: ART

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
EO: Community Arts & Education, Cultural Centers								
446	001	Permanent Salaries-Misc.				$212,149	$212,149	*

*The recommendation in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
460	001	Manager, Budget & Performan	1660A	1.0	0.0	95,773	0	$95,773
460	001	Manager, Budget & Performan	1660L	0.0	1.0	0	95,773	(95,773)

Change the designation for the 1.00 FTE permanent 1660 Manager, Budget & Performance as a 1.00 FTE limited tenure 1660 Manager, Budget & Performance because the Department intends to discontinue the position in the Cultural Centers Program by the end of FY 2003-2004.

Total Recommended Reductions	$0

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **WAR – WAR MEMORIAL**

FINANCIAL DATA:

The War Memorial proposed $10,892,237 budget for FY 2003-2004 is $4,646,640 or 29.9 percent less than the original FY 2002-2003 budget of $15,538,877. The net decrease from the revised FY 2002-2003 budget is $4,646,640 or 29.9 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
WAR MEMORIAL OPERATIONS & MAINTENANCE	$ 15,008,804	$ 15,008,804	$ 10,362,164	$ (4,646,640)
Net Expenditures	$ 15,008,804	$ 15,008,804	$ 10,362,164	$ (4,646,640)
Work Order Recoveries	530,073	530,073	530,073	-
Total Expenditures	$ 15,538,877	$ 15,538,877	$ 10,892,237	$ (4,646,640)
Less: Capital and Facilities Maint.	6,173,500	6,173,500	1,460,758	(4,712,742)
Total Operating Budget	$ 9,365,377	$ 9,365,377	$ 9,431,479	$ 66,102

DEPARTMENT PERSONNEL SUMMARY:

The department has not budgeted for any lay-offs in FY 2003-2004. The number of full-time equivalent positions budgeted for FY 2003-2004 is 95.81 FTEs, which is 1.14 FTE more than the 94.67 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
WAR MEMORIAL OPERATIONS & MAINTENANCE	94.67	95.81	1.14
Totals	94.67	95.81	1.14

Department: **WAR – War Memorial (continued)**

The 1.14 FTE increase in War Memorial's position count is due to the addition of the 2.0 new FTE 2708 Custodian positions and offset by a 0.86 total reduction in temporary salaries and attrition savings. The reduction in FTE count in temporary salaries is due to a change in the methodology used by the Controller to calculate FTE position as a function of temporary salaries. The two new Custodian positions were approved by the Budget Committee as Exceptions to the Interim Annual Appropriation Ordinance in order to avoid lay-offs from other departments.

DEPARTMENT REVENUES

Department revenues have decreased by $4,646,640 or 42.7 percent, due to decreases in revenue from the Hotel Tax. The War Memorial does not currently receive any General Fund support and will not in FY 2003-2004.

DESCRIPTION

In FY 2003-2004, the Department's proposed budget shows a decrease of $4,646,640 in total expenditures. This decrease is a result of the following: (a) an increase of $141,566 in Permanent Salaries, due to the addition of the 2.0 new FTE 2708 Custodian positions budgeted at a total salary of $87,383 and step adjustments for existing staff, (b) an increase totaling $27,983 for Temporary Salaries, Premium Pay, Overtime, and Holiday Pay, (c) a decrease of $255,644 in Mandatory Fringe Benefits, (d) an increase of $154,079 in City Overhead based on Controller allocations, (e) a net decrease of $226,451 for Maintenance Services, mainly due to a consolidation of Scavenger Service across City departments, (f) an increase of $262,258 for Facilities Maintenance Projects, (g) an increase of $170,084 for Services of Other Departments, (h) a decrease of $4,975,000 for Buildings, Structures, and Improvements, and (j) an increase of $54,485 for all other non-personnel expenses.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: WAR - War Memorial

Page No. EED	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2692	001	Permanent Salaries-Misc *The recommended reduction in Permanent Salaries-Misc. is the total of the following specific recommendations regarding individual classifications.				$5,096,749	$5,061,749	*
2697	001	Attrition Savings-Misc Increase attrition savings to reflect actual historic attrition rates.	9993M	(3.43)	(4.06)	(191,348)	(226,348)	$35,000
2692	013	Mandatory Fringe Benefits Corresponds to the reduction in Permanent Salaries-Misc.				1,100,570	1,093,920	6,650
		Total Recommended Reductions						**$41,650**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: SCI – ACADEMY OF SCIENCES

FINANCIAL DATA:

The Academy of Sciences proposed $1,899,291 budget for FY 2003-2004 is $78,199 or 3.95 percent less than the original FY 2002-2003 budget of $1,977,490. The net decrease from the revised FY 2002-2003 budget is $78,199 or 3.95 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Increase (Decrease) 2002-2003 Original Budget
ACADEMY OF SCIENCES	$ 1,977,490	$ 1,977,490	$ 1,899,291	$ (78,199)
Total Expenditures	$ 1,977,490	$ 1,977,490	$ 1,899,291	$ (78,199)
Less: Capital and Facilities Maint.	50,000	50,000	50,000	-
Total Operating Budget	$ 1,927,490	$ 1,927,490	$ 1,849,291	$ (78,199)

DEPARTMENT PERSONNEL SUMMARY:

The Department has budgeted for the lay-off of one 7334 Stationary Engineer position. The number of full-time equivalent positions budgeted for FY 2003-2004 is 6.76 FTEs, which is 1.0 FTE less than the 7.76 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
ACADEMY OF SCIENCES	7.76	6.76	(1.00)
Totals	7.76	6.76	(1.00)

DEPARTMENT: SCI – ACADEMY OF SCIENCES

There would be an additional loss of a professional biologist position who is a non-City employee and is currently budgeted under Professional and Specialized Services expenditures if additional funding is not found to support it.

DEPARTMENT REVENUES

General Fund support has decreased by $78,199 or 4.0 percent.

DESCRIPTION

In FY 2003-2004, the Academy of Sciences proposed budget shows a decrease of $78,199 in total expenditures. This decrease is a result of the following: (a) a decrease of $54,831 in Permanent Salaries, (b), a decrease of $43,470 in Mandatory Fringe Benefits, (c) a decrease of $53,731 in Professional and Specialized Services, and (d) an increase of $73,833 in Services of Other Departments.

RECOMMENDATIONS

None.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: AAM – ASIAN ART MUSEUM

FINANCIAL DATA:

The Asian Art Museum proposed $7,933,675 budget for FY 2003-2004 is $1,360,163 or 20.7 percent more than the original FY 2002-2003 budget of $6,573,512. The net increase from the revised FY 2002-2003 budget is $1,360,163 or 20.7 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
ASIAN ART MUSEUM	$ 6,573,512	$ 6,573,512	$ 7,933,675	$ 1,360,163
Total Expenditures	$ 6,573,512	$ 6,573,512	$ 7,933,675	$ 1,360,163
Less: Capital and Facilities Maint.	100,000	100,000	100,000	-
Total Operating Budget	$ 6,473,512	$ 6,473,512	$ 7,833,675	$ 1,360,163

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 70.40 FTEs, which is 12.89 FTEs more than the 57.51 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
ASIAN ART MUSEUM	57.51	70.40	12.89
Totals	57.51	70.40	12.89

The increase of 12.89 in FTE count is due to the annualization of 31 positions, the addition of two new vendor positions, and an increase in temporary salaries.

DEPARTMENT: **AAM – ASIAN ART MUSEUM**

DEPARTMENT REVENUES

Department revenues have increased by $1,010,000 or 39.5 percent and General Fund support has increased by $350,163 or 8.7 percent.

DESCRIPTION

The Asian Art Museum, after having been closed since October 7, 2001, reopened its doors on March 20, 2003 in the new Civic Center facility and 2003-2004 will be the first fiscal year the Asian Art Museum will be open for the full twelve months in its new location. Asian Art Museum's proposed budget of $7,933,675 for FY 2003-2004 includes $4,367,675 of General Fund monies, $1,811,000 of Hotel Room Tax revenues, and $1,755,000 of admission revenues.

In FY 2003-2004, the Department's proposed budget shows an increase of $1,360,163 in total expenditures. This increase is a result of the following: (a) an increase of $537,830 in Permanent Salaries due to the annualization of positions and the addition of 2.0 new vendor positions discussed below, (b) a increase totaling $253,092 for Temporary Salaries, Premium Pay, Overtime, and Holiday Pay due to the museum being open for the full year including over holidays, (c) a decrease of $24,710 in Mandatory Fringe Benefits, (d) an increase of $21,859 in Professional and Specialized Services, (e) an increase of $239,265 in Maintenance Services, (f) a decrease of $77,193 in Other Current Expenses, (g) a decrease of $9,000 in Equipment Purchase, and (h) a decrease of $601,515 in Services of Other Departments, due to the elimination of expenditures for Light, Heat and Power, totaling $579,350. This reduction was a result of the museum being declared a public building, thus transferring these costs to Hetch Hetchy. There is an additional $1,020,535 of unappropriated revenue, due to an increase in projected net revenues from admissions at the Asian Art Museum.

The majority of the increase in Permanent Salaries is due to the annualization of positions hired in the middle of FY 2002-2003 as well as the addition of 2.0 new FTE 3302 Vendor positions. These vendor positions are budgeted at a total salary of $74,385 and were approved by the Budget Committee as Exceptions to the Interim Annual Appropriation Ordinance in order to avoid lay-offs from other departments. These positions are of limited tenure and are currently only budgeted for FY 2003-2004.

COMMENT

The Mayor's budget provides an increase of $1,360,163. Our recommended reductions, which total $71,400, would still allow an increase of $1,288,763 or 19.9 percent in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

epartment: AAM - Asian Art Museum

age No. EI	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
424	001	Permanent Salaries-Misc *The recommended reduction in Permanent Salaries-Misc. is the total of the following specific recommendations regarding individual classifications.				$3,240,543	$3,180,543	*
427	001	Attrition Savings-Misc Increase attrition savings to 3.1% instead of the currently budgeted rate of 1.7%.	9993M	(0.96)	(2.07)	(51,859)	(111,859)	$60,000
424	013	Mandatory Fringe Benefits Corresponds to the reduction in Permanent Salaries-Misc.				722,448	711,048	11,400
		Total Recommended Reductions						$71,400

DEPARTMENT: **FAM – FINE ARTS MUSEUM**

FINANCIAL DATA:

The Fine Arts Museum's proposed $5,976,735 budget for FY 2003-2004 is $617,967 or 9.37 percent less than the original FY 2002-2003 budget of $6,594,702. The net decrease from the revised FY 2002-2003 budget is also $617,967 or 9.37 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
ADMISSIONS	$ 1,593,600	$ 1,593,600	$ 1,377,500	$ (216,100)
OPER & MAINT OF MUSEUMS	5,001,102	5,001,102	4,599,235	(401,867)
Total Expenditures	$ 6,594,702	$ 6,594,702	$ 5,976,735	$ (617,967)
Less: Capital and Facilities Maint.	50,000	50,000	50,000	-
Total Operating Budget	$ 6,544,702	$ 6,544,702	$ 5,926,735	$ (617,967)

DEPARTMENT PERSONNEL SUMMARY:

The Department has budgeted for four layoffs in FY 2004-2004: two 8226 Museum Guards and two 2708 Custodians. The number of full-time equivalent positions budgeted for FY 2003-2004 is 54.54 FTEs, which is 2.29 FTE less than the 56.83 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
ADMISSIONS	3.21	3.16	(0.05)
OPER & MAINT OF MUSEUMS	53.62	51.38	(2.24)
Totals	56.83	54.54	(2.29)

DEPARTMENT: FAM – FINE ARTS MUSEUM

The 2.29 net decrease in FTE count is a result of the deletion of one vacant 3546 Curator IV and two vacant 8226 Museum Guard positions, offset by a net increase of 0.71 in Temporary Salaries and Attrition Savings. Additionally, the Fine Arts Museum substituted two 3302 Vendor positions for 2 vacant 2208 Custodian positions, in order to avoid lay-offs from other departments.

DEPARTMENT REVENUES

Department revenues have decreased by $606,100 or 9.3 percent and General Fund support has decreased by $11,867 or 25.7 percent.

DESCRIPTION

In FY 2003-2004, the Department's proposed budget shows a decrease of $617,967 of total expenditures. This decrease is a result of the following: (a) a net decrease of $333,518 in personnel expenditures including Permanent Salaries, Premium Pay, Holiday Pay and Mandatory Fringe Benefits, (b) an increase of $183,901 in City Overhead costs, (c) a decrease of $212,685 in Professional and Specialized Services, (d) a decrease of $14,629 in Other Current Expenses, (e) a decrease of $30,337 in the Services of Other Departments. There is an additional decrease of $210,699 in unappropriated revenue based on a projected decrease in net revenues from admissions at the Legion of Honor.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: FAM - Fine Arts Museum

Page No.	Object EEC		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
2482	009	Premium Pay Reduce to actual FY 2002-2003 expenditure level adjusted by a cost of living factor for FY 2003-2004.				$218,500	$168,500	$50,000
2482	013	Mandatory Fringe Benefits Corresponds to the reductions in Premium Pay and Overtime.				594,240	590,490	3,750
		Total Recommended Reductions						**$53,750**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: REG – ELECTIONS

FINANCIAL DATA:

The Elections Department's proposed $14,871,590 budget for FY 2003-2004 is $5,895,592 or 65.7 percent more than the original FY 2002-2003 budget of $8,975,998. The net increase from the revised FY 2002-2003 budget is the same as the original.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
ELECTIONS	$ 8,939,333	$ 8,939,333	$ 14,834,925	$ 5,895,592
Net Expenditures	$ 8,939,333	$ 8,939,333	$ 14,834,925	$ 5,895,592
Work Order Recoveries	36,665	36,665	36,665	-
Total Expenditures	$ 8,975,998	$ 8,975,998	$ 14,871,590	$ 5,895,592

Department: **Elections (continued)**

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 53.41 FTEs, which is 5.35 FTEs more than the 48.06 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
ELECTIONS	48.06	53.41	5.35
Totals	48.06	53.41	5.35

DEPARTMENT REVENUES

Department revenues have increased by $1,407,658 or 210 percent because of State Bond (Proposition 41) funds which will be received to reimburse the Elections System & Software (ES&S) equipment expenses. General Fund support has increased by $4,487,934 or 54.3 percent, to offset the Department's increased expenditures.

DESCRIPTION

The Elections Department FY 2003-2004 budget is increasing $5,895,592, which is 65.7 percent more than the original FY 2002-2003 budget of $8,975,998.

- This increase is primarily due to two major elections scheduled for FY 2003-2004, as compared with one major election in FY 2002-2003. The Department of Elections will conduct a Mayoral election in November of 2003 and a Presidential Primary election in March of 2004.

- In order to implement the provisions of Proposition A approved by the voters in March of 2002 to provide for a Ranked Choice Voting System, the Board of Supervisors approved a $1,600,000 supplemental appropriation ordinance (File 03-0742) from the General Fund Reserve in June of 2003 to amend the existing contract with ES&S to modify the existing elections hardware and software to implement ranked choice voting in San Francisco. The Board of Supervisors also approved a $776,000 supplemental appropriation ordinance (File 03-0845) from the General Fund Reserve in June of 2003 for public outreach and education regarding the ranked choice voting system. Together, these two supplemental appropriations from the General Fund Reserve for Elections total

Department: **Elections (continued)**

$2,376,000. The Mayor's Office advises that these two supplemental appropriations were not included in balancing the General Fund Reserve for FY 2003-2004, and therefore additional General Fund revenues of $2,376,000 are required to balance the Mayor's Recommended FY 2003-2004 General Fund budget. This would reduce the $25,000,000 General Fund Reserve, as recommended by the Mayor's Office, to $22,624,000.

- However, the proposed FY 2003-2004 budget includes a Mayor's Election Reserve of $1,800,000 to cover the potential additional costs related to implementing Proposition A, the ranked choice voting system. The previously approved supplemental appropriations totaling $2,376,000, as discussed above, are $576,000 more than the $1,800,000 Reserve included in the Mayor's recommended FY 2003-2004 budget for the Department of Elections. Therefore, if the $1,800,000 Mayor's Election Reserve is used to fund the previously approved supplemental appropriations, an additional $576,000 of General Fund revenues would still be required. This would reduce the $25,000,000 General Fund Reserve to $24,424,000.

- The Board of Supervisors did not approve a recent ordinance (File 03-0868), submitted by the Mayor's Office to eliminate paid ballot arguments in the Voter Information Pamphlet. However, the Mayor's Office reduced the Elections Department's FY 2003-2004 budget by $500,000 (assuming $250,000 of additional expenses for each of two elections) in 040 Materials and Supplies to reflect a reduction in expenses based on the elimination of the paid ballot arguments. Therefore, the FY 2003-2004 Elections budget for FY 2003-2004 is currently underfunded by approximately $500,000.

- There is an ordinance (File 03-1104) currently pending in the Rules Committee to require the Controller to set paid ballot argument fees to approximate the actual costs incurred by the Department. If this ordinance (File 03-1104) is approved by the Board of Supervisors and if such approval allows the Elections Department to implement the new fees in time for the November of 2003 election, the Elections Department should be able to recover most of the $500,000 of costs that were reduced by the Mayor from the Department's FY 2003-2004 budget.

- The Budget Analyst also notes that various issues remain to be resolved for the Department of Elections in FY 2003-2004, many of which concern the need to conduct ranked choice voting by November of 2003, in accordance with Proposition A. These issues include:
  - the Secretary of State has not yet certified a ranked choice voting system for use at the November of 2003 election,
  - the Department is unsure whether the ES&S computer generated system or a hand count ranked choice voting system will be certified, each of which will have different operational, staffing and cost requirements for the Department,
  - if the Secretary of State does not certify either the ES&S or the hand count ranked choice voting system, how does the Department proceed with a potential run-off election since the Department has not budgeted for such expenses,

Department: **Elections (continued)**

- the Department (a) can no longer use the space at 240 Van Ness for storing and distributing ballots, (b) is scheduled to lose the Elections Pier 29 storage space in FY 2003-2004, which is currently proposed to be used for the Mills waterfront restoration project, and (c) the existing space in City Hall does not meet the operational needs of the Department,
- will the Sheriff provide security or does the Department need to implement an alternative security and transportation plan for the November of 2003 election, because the incumbent Sheriff and a pending Charter amendment directly affecting the Sheriff's Office may be on the November of 2003 ballot,
- if and when the Secretary of State certifies that sufficient valid petition signatures are filed to hold a Gubernatorial Recall Election, such Recall Election must be held within 60-80 days from the date of the certification, which could result in the need for an additional Citywide election.

Given the numerous issues facing the Department of Elections in FY 2003-2004, there may be a need for a supplemental appropriation, the amount of which cannot be determined at this time.

COMMENTS

The Mayor's budget provides an increase of $5,895,592. Our recommended reductions, which total $89,103, would still allow an increase of $5,806,489 or 64.7% in the Department's budget.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-2004

epartment: Elections

'age No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
97	001	Permanent Salaries - Misc.				$1,183,322	$1,150,462	*
		* The recommended reduction in Permanent Salaries is the total of the following specific recommendations regarding individual classifications.						
01		Executive Secretary I	1450	1.0	0.0	57,263	0	$57,263
01		Elections Worker	1471	4.0	5.0	193,453	241,816	($48,363)
		Reclassify an existing vacant 1450 Executive Secretary I position to increase the number of 1471 Elections Worker positions in the Department to better meet the operational needs for elections.						
01		Junior Clerk	1402	0.75	0.00	28,853	0	28,853
01		Clerk	1404	0.75	0.00	31,379	0	31,379
01		Elections Worker	1471	0.00	0.75	0	36,272	(36,272)
		During the Interim Budget deliberations, the Budget Committee did not approve the Mayor's proposed one FTE new 1402 Junior Clerk and one FTE new 1404 Clerk for the Elections Department, and instead reduced each position to 0.75 FTEs. The remaining two new 0.75 FTE positions should be reclassified to one new 0.75 FTE 1471 Elections Worker position to better meet the ongoing operational needs of the Department.						
97	013	Mandatory Fringe Benefits				486,011	479,768	6,243
		Corresponds to the reduction in Salaries.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: Elections

Page			Position/ Equipment	Number		Amount		
No.	Object		Number	From	To	From	To	Savings
2997	031	Rents & Leases - Equipment Reduce vehicle rentals by $20,000 to $90,000 from a requested $110,000, including $50,000 for the November of 2003 election and $60,000 for the March of 2004 election. The proposed reduction will still permit the Department to rent an estimated $90,000 of vehicles for these two elections, or an average of $45,000 per election.				236,400	216,400	20,000
2998	081	Services of Other Departments Based on the FY 2002-2003 actual expenditure data, reduce the proposed $300,000 for the Sheriff to provide security for two elections, based on $150,000 per election, to an estimated $135,000 per election, or a total reduction of $30,000. * After the above reduction, reserve $135,000 for the Sheriff to provide security for the November of 2003 election, pending a decision from the Ethics Commission and the City Attorney's Office regarding whether the Sheriff can provide security for the November of 2003 election in which (a) the incumbent Sheriff may be a candidate and (b) there is a pending Charter Amendment (File 03-0865) which may materially affect the Sheriff's Office. According to Proposition G, approved by the San Francisco voters on November 5, 2002, "The Director of Elections shall develop and submit for the approval of the Elections Commission an alternative transportation and security plan if an incumbent sheriff is running for election or if there is a measure on the San Francisco ballot that would have a material financial effect on the Sheriff or the unifomed personnel of the Sheriff's department as determined by the Ethics Commission." To date, the Elections Commission has not yet approved an alternative transportation and security plan, and the costs for such a plan have not yet been fully developed.				905,499	875,499*	30,000

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-2004

Department: Elections

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
Special Election Contingency								
2998	06P	Programmatic Projects				1,800,000	1,800,000*	0

*This Mayor's Election Reserve of $1,800,000 was included to cover the potential additional costs related to implementing Proposition A, the ranked choice voting system. The Board of Supervisors recently approved supplemental appropriations for (1) $1,600,000 to amend the existing contract with ES&S to modify the City's elections hardware and software to implement ranked choice voting (File 03-0742) and (2) $776,000 for public outreach and education regarding the ranked choice voting systems (File 03-0845). Together, these two supplemental appropriations total $2,376,000. The Mayor's Budget Office advises that these two supplemental appropriations were not included in balancing the General Fund budget for FY 2003-2004, and therefore additional General Fund revenues of $2,376,000 are required to fund the two previously approved supplemental appropriations. This would reduce the $25,000,000 General Fund Reserve, as recommended by the Mayor's Office to $22,624,000.

If this $1,800,000 Mayor's Election Reserve is deleted to fund the previously approved supplemental appropriations totaling $2,376,000, an additional $576,000 of General Fund revenues would still be required, reducing the City's General Fund Reserve from $25,000,000 to $24,424,000.

Alternatively, if this $1,800,000 Mayor's Election Reserve is not deleted, the $1,800,000 should be placed on reserve, for potential review by the Board of Supervisors, pending certification of the City's ranked choice voting system by the Secretary of State. If these funds are placed on reserve, the City's General Fund Reserve would be reduced from $25,000,000 to $22,624,000 to fund the two supplemental appropriations previously approved by the Board of Supervisors.

Approval of these funds is a policy decision for the Board of Supervisors.

Total Recommended Reductions	**$89,103**
Total Recommended Reserves	**$135,000**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **HRC – HUMAN RIGHTS COMMISSION**

FINANCIAL DATA:

The Human Rights Commission proposed $4,208,122 budget for FY 2003-2004 is $254,948 or 5.7 percent less than the original FY 2002-2003 budget of $4,463,070. The net decrease from the revised FY 2002-2003 budget is $537,948 or 11.3 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
HUMAN RIGHTS COMMISSION	$ 1,808,002	$ 1,806,002	$ 1,579,341	$ (228,661)
Net Expenditures	$ 1,808,002	$ 1,806,002	$ 1,579,341	$ (228,661)
Work Order Recoveries	2,655,068	2,940,068	2,628,781	(26,287)
Total Expenditures	$ 4,463,070	$ 4,746,070	$ 4,208,122	$ (254,948)

DEPARTMENT PERSONNEL SUMMARY:

The Department has issued 2 layoff notifications. The number of full-time equivalent positions budgeted for FY 2003-2004 is 40.05 FTEs, which is .11 FTE more than the 39.94 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
HUMAN RIGHTS COMMISSION	39.94	40.05	0.11
Totals	39.94	40.05	0.11

DEPARTMENT: HRC – HUMAN RIGHTS COMMISSION

DEPARTMENT REVENUES

The Department's General Fund support has decreased by $228,661 or 12.6 percent.

DESCRIPTION

The Department's FY 2003-04 budget of $4,208,122 is $254,948 or 5.7 percent less than the FY 2002-03 original budget of $4,463,070. A summary of these changes is as follows:

- A decrease of $117,182 in mandatory fringe benefits.
- An increase of $56,172 in permanent salaries.
- A decrease of $463,545 in professional services.
- An increase of $311,287 in interdepartmental recoveries from work orders.
- A decrease of $28,622 in training, materials and supplies and from various other expenditures.
- A decrease of $13,058 from services preformed for other City departments.

COMMENTS

1. While the Department has issued 2 layoff notifications, the number of full-time equivalent positions budgeted for FY 2003-2004 is increasing by .11 FTE because of a 1.11 reduction in attrition savings.

2. The Human Rights Commission has proposed no new positions. We are recommending the deletion of 1 FTE that has been vacant for over 1 year and 9 months. We are also recommending reducing Attrition Savings accordingly so that the Human Rights Commission is not required to hold other positions vacant in order to meet its Attrition Savings target. The effect of this adjustment results in no cost savings. However, the deletion of such a long-term vacancy removes from the Human Rights Commission's budget a position, which has not been required for over 1 year and 9 months.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: Human Rights Commission

Page No.	Object		Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
1905	001	Permanent Salaries-Misc. * The recommended reduction in Permanent Salaries-Misc. is the total of the following specific recommendations regarding individual classifications.				$ 1,817,303	$ 1,817,303	*
1907	001	Human Rights Commission Coordinator Delete 1.0 FTE vacant 2991 Human Rights Commission Coordinator which has been vacant since September 28, 2001, or one year and nine months. If this recommendation is approved, the Department would still have one Human Rights Commission Coordinator.	2991	2.0	1.0	170,851	85,426	(85,426)
1907	9993M	Attrition Savings Reduce attrition savings to adjust for the deletion of one vacant Human Rights Commission Coordinator.		(1.76)	(0.54)	(123,126)	(37,701)	85,426
		Total Recommended Reductions						**$0**

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **SHF - SHERIFF**

FINANCIAL DATA:

The Sheriff's Department's proposed $111,855,632 budget for FY 2003-2004 is $4,691,089 or 4.0 percent less than the original FY 2002-2003 budget of $116,546,721. The net decrease from the revised FY 2002-2003 budget is $4,813,875 or 4.1 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
CUSTODY	69,882,577	69,882,577	62,706,740	(7,175,837)
PROGRAMS	11,955,310	11,958,724	9,079,789	(2,875,521)
SHERIFF FIELD SERVICES	-	-	4,507,333	4,507,333
SECURITY SERVICES	3,483,807	3,475,679	3,297,126	(186,681)
BESK CASE	350,000	350,000	350,000	-
JAIL PROGRAMS	1,047,479	1,047,479	1,045,000	(2,479)
GRANT SERVICES	-	127,500	-	-
COUNTY JAIL 8 & 9	-	-	34,500	34,500
RECRUITMENT & TRAINING	4,808,165	4,808,165	2,612,811	(2,195,354)
COURT SECURITY AND PROCESS	-	-	-	-
CIVIL ENFORCEMENT	395,000	395,000	165,000	(230,000)
ADMINISTRATION	8,013,671	8,013,671	8,543,237	529,566
FACILITIES & EQUIPMENT	2,021,547	2,021,547	4,333,094	2,311,547
Net Expenditures	$ 101,957,556	$ 102,080,342	$ 96,674,630	$ (5,282,926)
Work Order Recoveries	14,589,165	14,589,165	15,181,002	591,837
Total Expenditures	$ 116,546,721	$ 116,669,507	$ 111,855,632	$ (4,691,089)
Less: Capital and Facilities Maint.	650,000	650,000	441,000	(209,000)
Total Operating Budget	$ 115,896,721	$ 116,019,507	$ 111,414,632	$ (4,482,089)

DEPARTMENT: **SHF - SHERIFF**

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for lay-offs in FY 2003-2004. The number of full-time equivalent positions budgeted for FY 2003-2004 is 936.85 FTEs, which is 46.93 FTE less than the 983.80 FTEs in the original FY 2002-2003 budget. The decrease of 46.93 FTEs has resulted from deletion of positions in the Sheriff's Department and increases in attrition savings, offset by the transfer of Institutional Police positions from the Department of Public Health. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
CUSTODY	644.39	548.16	(96.23)
PROGRAMS	32.83	37.40	4.57
SHERIFF FIELD SERVICES	0.00	45.58	45.58
SECURITY SERVICES	117.11	122.62	5.51
JAIL PROGRAMS	0.00	0.00	0.00
PROGRAMS	5.56	6.30	0.74
FACILITIES & EQUIPMENT	0.00	0.00	0.00
RECRUITMENT & TRAINING	37.00	15.00	(22.00)
COURT SECURITY AND PROCESS	85.33	83.53	(1.80)
FACILITIES & EQUIPMENT	0.00	0.00	0.00
ADMINISTRATION	37.52	54.53	17.01
FACILITIES & EQUIPMENT	24.06	23.75	(0.31)
Totals	983.80	936.87	(46.93)

DEPARTMENT REVENUES

Department revenues have decreased by $2,476,686 or 26 percent and General Fund support has decreased by $2,806,240 or 3 percent.

DEPARTMENT: **SHF - SHERIFF**

DESCRIPTION

In FY 2003-2004, the Sheriff's Department budget has decreased by $4,691,089. The major changes to the proposed FY 2003-2004 budget include:

- $4,057,942 increase in personnel costs, resulting largely from the transfer of the Institutional Police to the Sheriff's Department. In March of 2003, the Board of Supervisors adopted an ordinance, amending the Administrative Code, which authorized the transfer of the Department of Public Health Institutional Police to the Sheriff's Department (File 02-1997). In total, 63.67 budgeted FTEs were transferred from the Department of Public Health (DPH) to the Sheriff's Department. The total increase in FTEs in FY 2003-2004 is 16.74, which includes the increase in budgeted FTEs transferred from DPH, offset by a reduction in Sheriff's Department FTEs, resulting from (i) the closing of three dormitories at County Jail Number 7, (ii) eliminating funding for two Sheriff's Academy classes to train new recruits, (iii) reducing the hours of operation for City Hall security, and (iv) eliminating the Station Transfer Unit.

- $405,676 increase in equipment purchases, resulting from the proposed purchase of (i) one replacement pick-up truck, (ii) armband production stations, (iii) furniture and computer equipment for the new San Bruno Jail which can not be charged to bond funds, and (iv) replacement desk top computers.

- $3,187,602 decrease in professional services contracts, which includes elimination of the State-funded mentally ill offender grant, termination of residential substance abuse treatment program contracts, and reduction in training and recruitment program contracts, primarily due to elimination of State funding for Standards and Training for Corrections.

- $595,061 decrease in materials and supplies, resulting primarily from the closure of a portion of County Jail Number 7 and reductions in the recruitment and training program.

- $5,372,049 net decrease in travel, training, current expenses, services of other departments and work order recoveries.

Increased Public Employment Retirement System (PERS) Costs

As noted in File 03-0971 of this report, the Sheriff's Department has included $1,833,816 in the FY 2003-2004 budget to pay for proposed increases in PERS retirement benefits for the Sheriff, Undersheriff, and Deputy Sheriffs. The Budget Analyst considers approval of $1,833,816 in increased PERS costs to be a policy matter for the Board of Supervisors.

Department: Sheriff

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
Program: Custody								
348	011	Overtime The Department proposes to fill 2.0 FTE 7334 Stationary Engineer positions, which have been vacant during FY 2002-2003 and back-filled with overtime. The Department projects a decrease in overtime usage due to the filling of the two vacant positions.				2,791,667	2,731,667	60,00
348	060	Equipment Purchase The recommended reduction in Equipment Purchase is the total of the following specific recommendations regarding individual equipment purchases.				$648,116	$590,730	*
400	060	Equipment Purchase The Department has requested $666,266 for new equipment, which includes (a) $445,050 for furniture for the new County Jail No. 3, (b) $173,066 for computer equipment for the new County Jail No. 3, (c) $30,000 for a replacement truck, and (d) $18,150 for an armband station, financed by the Equipment Lease Purchase program. The Budget Analyst recommends reductions, totaling $57,386, which includes: (a) $15,135 for furniture for the new County Jail No. 3, based on actual price quotes; (b) $12,251 for computer equipment, based on actual price quotes for such equipment; and (c) $30,000 for a replacement truck. The Budget Analyst recommends that monies for the requested truck be included in General City Responsibility as part of the Equipment Lease Purchase Program.				666,266	608,880	57,38

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

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epartment: Sheriff

Page No.	Object		Position/ Equipment Number	Number		Amount		
				From	To	From	To	Savings
rogram: Sheriff Field Services								
355	035	Other Current Expenses Reduce expenditures for the Tri-County Extradition service, which transports inmates across county lines, from the budgeted amount of $200,000 to the projected actual FY 2002-2003 expenditures of $138,800. Overall, the Department has budgeted $2,006,088 for Other Current Expenses.				275,000	213,800	61,200
rogram: Security Services General Fund Work Order Fund								
356	011	Overtime Work order recoveries are reduced by $30,000, due to a reduction in a work order recovery from the Elections Department of $30,000. The reduction in work order recoveries is offset by total expenditure reductions of $30,000 in Overtime .				587,000	557,000	30,000
356	035	Other Current Expenses Reduce the Emergency Communications work order by $51,348, based on the Department's report that $3,000 of the requested $54,348 is needed for the workorder. Overall, the Department has budgeted $2,006,088 for Other Current Expenses.				54,348	3,000	51,348

Item 8 - File 03-0971

Department: Sheriff's Department

Item: Resolution of Intention to approve an Amendment to the Contract between the Board of Administration, California Public Employees' Retirement System, and the Board of Supervisors, City and County of San Francisco.

Description: Under the proposed Resolution of Intention, the Board of Supervisors gives its notice of intention to approve an Amendment to the Contract between the California Public Employees' Retirement System (PERS) and the Board of Supervisors. The proposed PERS Contract Amendment would affect the Sheriff, the Undersheriff, Deputy Sheriffs, and certain miscellaneous City employees, who were formerly employed by the State Department of Mental Health and were transferred to City employment, and who are members of PERS. The proposed Contract Amendment between PERS and the Board of Supervisors would provide the following changes to the current PERS retirement benefits:

- The Sheriff, Undersheriff, and Deputy Sheriffs will be eligible to receive retirement benefits at age 55, equal to three percent of the highest compensation in a single year, times the number of years of service. Ms. Linda Ross of the City Attorney's Office advises that currently, these classifications receive retirement benefits at age 50, equal to two percent of the highest compensation in a single year, times the number of years of service.
- Certain miscellaneous employees, who were formerly employed by the State Department of Mental Health and were transferred to City employment, will receive retirement benefits, which are calculated on their final year of compensation. Currently, these employees receive retirement benefits, which are calculated on the average of the three final years of compensation.

The Memorandum of Understanding (MOU) between the City and County of San Francisco and the San Francisco Deputy Sheriff's Association, effective from July 1, 2001 through June 30, 2003, provides that the Board of Supervisors will consider a recommendation to amend the City's contract with PERS to improve retirement benefits for Deputy Sheriffs if the voters approve a Charter Amendment to improve retirement benefits for safety members of the San Francisco Employees Retirement System (SFERS), including firefighters and police.

In November of 2002, the San Francisco voters approved Proposition H, which amended the City Charter to provide safety members of SFERS with an increased level of benefits. Proposition H approved retirement benefits which equal "3 percent at 55". Under the "3 percent at 55" retirement benefit formula, eligible employees who are 55 years of age receive retirement compensation based on a formula, equal to three percent of the highest salary earned in a single year, times the number of years of service.

According to Ms. Ross, the Public Employees' Retirement Law sets forth procedures by which the City enters into an amended contract with PERS on behalf of City employees. Ms. Ross advises that the Board of Supervisors must first approve a Resolution of Intent to amend the City's contract with PERS, and then adopt an ordinance, authorizing the City to enter into a contract amendment with PERS. Ms. Ross states that an ordinance was submitted to the Board of Supervisors on June 17, 2003, which would authorize the City to enter into the subject PERS contract amendment.

Comments:

1. According to Ms. Ross, PERS has prepared a cost analysis of the proposed contract amendment to provide the Sheriff, Undersheriff, and Deputy Sheriffs and miscellaneous employees with increased retirement benefits, which is on file with the Clerk of the Board of Supervisors as part of File 03-0971. Ms. Ross advises that such cost analysis must be made public at a public meeting at least two weeks prior to

the adoption of an ordinance to approve the proposed PERS contract amendment.

2. According to the PERS Cost Analysis, under the proposed PERS contract amendment, the City's FY 2003-2004 employer contribution rate for Sheriff, Undersheriff, and Deputy Sheriff retirement benefits will increase from the current rate of 6.431 percent of salary to 10.212 percent of salary. According to Ms. Jean Mariani of the Sheriff's Department, the estimated increased cost, resulting from the proposed PERS rate increase, is $1,833,816 in FY 2003-2004 for Sheriff's Department classifications. Ms. Mariani advises that the Sheriff's Department has included $1,833,816 in the FY 2003-2004 budget to cover the cost of the proposed PERS rate increase.

3. According to the PERS Cost Analysis, under the Proposed PERS contract amendment, the City would not make an employer contribution on behalf of the eligible miscellaneous employees in FY 2003-2004 and in FY 2004-2005.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **POL – POLICE**

FINANCIAL DATA:

The Police Department's proposed $298,206,786 budget for FY 2003-2004 is $9,264,938 or 3.0 percent less than the original FY 2002-2003 budget of $307,471,724. The net decrease from the revised FY 2002-2003 budget is $9,717,133 or 3.2 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
VEHICLE THEFT ABATEMENT	$ 176,506	$ 302,546	$ 176,506	$ -
POLICE SERVICES	110,000	110,000	110,000	-
AIRPORT POLICE	27,280,362	27,280,362	27,259,133	(21,229)
FEDERAL TRANSPORTATION SECURITY	9,500,000	9,500,000	-	(9,500,000)
INVESTIGATIONS	30,169,667	30,324,299	30,798,756	629,089
NARCOTICS FORFEITURE	581,935	581,935	656,468	74,533
FINGERPRINT	1,864,264	1,957,290	2,051,901	187,637
SAFE CONTRACT	633,123	633,123	633,123	-
OPERATIONS AND ADMINISTRATION	49,209,012	49,282,430	50,287,494	1,078,482
POLICE OPERATIONS	374,610	374,610	100,000	(274,610)
RECRUITMENT AND EXAMINATION	1,865,892	1,865,892	2,156,173	290.281
OFFICE OF CITIZEN COMPLAINTS	2,976,172	2,976,172	2,888,261	(87,911)
SENIOR ESCORT SERVICE	1,270,797	1,270,797	-	(1,270,797)
PATROL	150,828,734	150,833,813	144,478,772	(6,349,962)
SPECIAL OPERATIONS	24,371,236	24,371,236	24,225,390	(145,846)
Net Expenditures	301,212,310	301,664,505	285,821,977	(15,390,333)
Work Order Recoveries	6,259,414	6,259,414	12,384,809	6.125.395
Total Expenditures	$ 307,471,724	$ 307,923,919	$ 298,206,786	$ (9,264,938)
Less: Capital and Facilities Maint.	294,000	294.000	110.000	(184,000)
Total Operating Budget	$ 307,177,724	$ 307,629,919	$ 298,096,786	$ (9,080,938)

DEPARTMENT: POL – POLICE

DEPARTMENT PERSONNEL SUMMARY:

The Department has not budgeted for any employee layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 2,689.09 FTEs, which is 1.33 FTE more than the 2,687.76 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
VEHICLE THEFT ABATEMENT	0.00	0.00	0.00
POLICE SERVICES	1.00	1.00	0.00
AIRPORT POLICE	311.39	310.96	(0.43)
FEDERAL TRANSPORTATION SECURITY	0.00	0.00	0.00
INVESTIGATIONS	298.55	307.07	8.52
FINGERPRINT	0.00	0.00	0.00
INVESTIGATIONS	0.00	0.00	0.00
OPERATIONS AND ADMINISTRATION	355.69	350.17	(5.52)
WORK ORDER SERVICES	26.74	106.56	79.82
POLICE OPERATIONS	0.00	0.00	0.00
RECRUITMENT AND EXAMINATION	16.00	16.00	0.00
OFFICE OF CITIZEN COMPLAINTS	29.52	29.41	(0.11)
SENIOR ESCORT SERVICE	17.05	0.00	(17.05)
PATROL	1,359.64	1,295.74	(63.90)
SPECIAL OPERATIONS	272.18	272.18	0.00
Totals	2,687.76	2,689.09	1.33

The net increase of 1.33 FTE shown above is the net result of; a) transferring 17 Miscellaneous positions for the Senior Escort program to Adult and Aging Services (a reduction of 17 FTE from the Police Department Budget); b) the addition of 10 new FTE Miscellaneous positions for civilianization of Police positions (see below); c) the addition of one new Commander III permanent Uniform position (see below); and, d) net additions of 7.33 FTE die to the budget preparation system method of calculating FTE positions, primarily those associated with Attrition Savings.

DEPARTMENT REVENUES

Department General Fund revenues have decreased by $4,826,601 or 14.4 percent. This is comprised primarily of a reduction in Public Safety Sales Tax Revenue of approximately $4.93 million. Also, non General Fund revenues such as Federal Grant Revenue of $2.4 million and increased narcotics forfeiture and asset seizure fund revenue of $1.17 million will offset needed increased General Fund Support. In addition, a National Transportation Security Administration grant of $9,500,000 for Police Overtime at the Airport has expired. Also, the Police Department's work order recoveries includes $6.0 million in new parking fine revenue from the Municipal Transportation Commission – Department of

Parking and Traffic paid to the Police Department from the Offstreet Parking Fund. Total recoveries have increased overall by $6,125,395.

Overall, General Fund support has decreased by $4,623,482 or 2.1 percent.

DESCRIPTION

The Police Department's FY 2003-2004 proposed budget assumes that the Police Officer's Association (POA) will agree to a Memorandum of Understanding (MOU) that, similar to all other City labor organizations, will provide for no salary increases other than the one percent increase in salaries effective June 30. 2003, and the elimination of the 7.5% employer payment of the employee's Retirement Contribution. This provision results in current year savings in the Police Department's budget of approximately $14.0 million, including approximately $12.6 million in General Fund savings. As of the writing of this report, the MOU with the POA is still being negotiated. In this connection, many of the Budget Analyst's management audit recommendations contained in our management audit reports issued in 1996 and 1997 require Police management to meet and confer with the POA, according to the response of the Police Department to a review of the status of such recommendations conducted by the Board of Supervisors Legislative Analyst's Office in April of 2002. The Budget Analyst has provided all such recommendations to the City's negotiating team for discussion during negotiations with the POA. These recommendations include:

- Scheduling: Switching district station police officers from a 4day/10hour to a 5day/8hour work week to reduce the need for sworn officers

- Overtime: Introducing flexible time for investigators and paying investigative standby pay at straight rather than overtime rate of pay

- Overtime Policies and Practices: change related policies and practices including payment of 10 hours of overtime for special events even if less is worked, inability to change an officer's schedule by more than 3 hrs, and paying overtime on the same day or week as a leave of absence.

- Overtime: Eliminate overtime to uniform management positions at or above the rank of Captain.

DEPARTMENT: POL – POLICE

The Police Department's total expenditure reductions of $9,264,938 are due to the following changes in budgeted expenditures for the Police Department's total budget and General Fund budget.

Major Changes in Police Department Expenditures

Total Budget	General Fund	Comment
$ (9,500,000)	$ -	Expiration of National Transportation Security Grant for Police Overtime at the Airport.
1,084,712	765,098	Increase in Miscellaneous Salaries; 10 new positions for "Civilianization"
6,273,008	3,846,798	Increase in Uniform Salaries; One percent salary increase, hiring of 46 Police Officer recruits on June 30, 2003; 40 Police Officer recruits in January of 2004; estimated Attrition of 87 Police Officers throughout FY 2003-2004
1,291,091	834,075	Increase in Temporary Salaries and Premium Pay
236,164	(897,181)	Decrease in Overtime
(1,050,000)	(1,050,000)	Change in One-time payouts for retiring Police Officers
(8,504,310)	(7,543,566)	Reduction in Mandatory Fringe Benefits due to assumed Police Officers Association approval of 7.5% Retirement give back
335,836	339,600	Increased Training due to withdrawal of City College funds.
343,422	335,358	Increased Professional and Specialized Services for examination preparation and conduct of examinations for hiring and promotion
149,165	85,641	Increase in Rents
(2,074,313)	(1,385,560)	Reduced Equipment Purchase and Lease Financing
(225,000)	(225,000)	Decrease in Judgements and Claims
2,912,956	1,820,780	Increased Services of Other Departments
(537,669)	(250,731)	Other decreases in Expenditures
$ (9,264,938)	$ (3,324,688)	**Total Reductions**
(6,125,395)	(6,125,395)	Net Increase in Expenditure and Work Order Recoveries, primarily from new Parking Fine Revenue, used as an offset to expenditures.
$ (15,390,333)	$ (9,450,083)	**Net Change in Expenditures**

The net decrease in General Fund Expenditures of $9,450,083 above is partially offset by the aforementioned loss of General Fund departmental revenues of $4,826,601, resulting in the net decrease in General Fund Support of $4,623,482.

DEPARTMENT: POL – POLICE

New Senior Attorney Permanent Position in the Office of Citizens Complaints

The proposed FY 2003-2004 Police budget as recommended by the Mayor includes a substitution of a Senior Attorney – Civil and Criminal position for a 1371 Special Assistant XII position at an annual increased cost of $44,201. According to the Mayor's Budget Office, the Senior Attorney is a long term Temporary Exchange (Tx) position that was created during FY 2001-2002, and that it was the intention of the Mayor's Budget Office to create the permanent position in the FY 2002-2003 budget but failed to do so because due to an oversight.

POLICY OPTIONS

Police Staffing and Civilianization

The proposed FY 2003-2004 Police budget as recommended by the Mayor include funding for Uniform Salaries and Mandatory Fringe Benefits based on an assumption by the Mayor's Budget Office that a total of 87 existing Police Officers will retire during the fiscal year, and that a new Police Officer Recruit Class of 50 would begin on June 30, 2003. In addition, Federal Grant funds will be used to hire 50 new Police Officer recruits to begin training in January of 2004, for a net decrease of one FTE Police Officer (total new hires of 86 and attrition of 87).

Based on anticipated attrition and hiring, the Mayor's Budget Office projects that the level of uniform staffing for the Police Department will be maintained above the Charter-mandated level of 1,971 Police Officers, excluding members of the Bureau of Airport Police. The Mayor's Budget Office projection is based on total estimated Uniformed staff at the end of FY 2003-2004 of 2,067 Police Officers less 233 Officers on light duty and disability and including 145 FTE positions funded with overtime pay for a total of 1,979 FTE full duty Police Officers (2,067 less 233 on light duty and disability plus 145 FTE funded with Overtime pay).

In addition, the proposed FY 2003-2004 Police budget includes 10 FTE new miscellaneous positions (13 FTE on an annualized basis) for "civilianization" of functions that are currently being performed by Uniformed Police Officers so that Police Officers can return to Police duties. The Budget Analyst recommended the civilianization of many positions in our Police Department Phase 2 Management Audit report issued in 1997.

DEPARTMENT: POL – POLICE

The new positions recommended by the Mayor's Budget Office are shown below:

		FY 2003-2004		Annualized Cost	
		FTE	Salary	FTE	Salary
1070	Project Director	0.75	$ 82,150	1.00	$ 109,533
1224	Principal Payroll and Personnel Clerk	0.50	32,338	1.00	64,676
1804	Statistician	1.00	61,898	1.00	61,898
1806	Senior Statistician	2.00	158,014	2.00	158,014
1824	Principal Administrative Analyst	0.50	45,290	1.00	90,580
2992	Contract Compliance Officer I	1.00	75,975	1.00	75,975
7308	Cable Splicer	0.50	40,162	1.00	80,324
8213	Police Services Aide	3.75	206,519	5.00	275,359
		10.00	702,346	13.00	916,359
	Mandatory Fringe Benefits		133,446		174,108
	Total		$ 835,792		$ 1,090,467

As shown above, the FY 2003-2004 cost of the proposed 10 FTE new positions is $835,792 including Mandatory Fringe Benefits and the annualized cost is $1,090,467. The comparative cost of performing the functions that would be civilianized by the 10 FTE new positions with Uniformed Police Officer III positions is shown in the table below. Based on these comparisons, the cost of performing this work with miscellaneous positions instead of Police Officers produces a theoretical savings of $42,049 annually in FY 2003-2004 and $50,726 annually thereafter.

		FY 2003-2004		Annualized Cost	
		FTE	Salary	FTE	Salary
Q 4	Police Officer III	10.00	$ 779,610	13.00	$ 1,013,493
	Mandatory Fringe Benefits		98,231		127,700
	Total		$ 877,841		$ 1,141,193
			($877,841 less $835,792)		($1,141,193 less $1,090,467)
	Savings from Civilian Positions shown in the previous table above in Place of Uniform Police Officers		**$ 42,049**		**$ 50,726**

Although 10 new positions are being added to the Department's budget, there is no planned reduction in Uniformed Police Officer positions because of the Charter mandated Police Full Duty staffing requirement of 1,971 Police Officers (excluding members of the Bureau of Airport Police). Ten Police Officers who were performing civilian functions will return to uniform duties of the Department.

Therefore, no savings will be realized as a result of civilianization. To the contrary, the Department budget will increase in FY 2003-2004 as a result of the 10 FTE new positions by $835,792.

Policy Option 1: Because the Mayor's proposed civilianization of 10 FTE Police Officer positions will not actually result in savings, as described above, the Board of Supervisors could consider eliminating the 10 FTE new civilian positions in the FY 2003-2004 budget and instead having the functions continue to be performed with Police Officers. Such an option would save $835,792 in Salaries and Fringe Benefits in FY 2003-2004 and not effect current Police Officer staffing. Police Officers performing duties that could be civilianized would continue to be available for performance of police duties, as they are now, in the event of an emergency.

Special Operations and Security Bureau

During FY 2002-2003, the Chief of Police formed a new unit, the Special Operations and Security Bureau, to address homeland security issues and the threat of terrorism. Four new command Police Officer positions were created by the Chief of Police without submitting a supplemental appropriation or amendment to the Annual Salary Ordinance to the Board of Supervisors for approval, to manage the Special Operations and Security Bureau. These four positions were one new Deputy Chief III at a current annual base salary of $178,181 and three new Commander III positions at current annual base salaries of $144,832. The new command positions were established by the Chief of Police as temporary exchange (Tx) positions, at an incremental annual cost of $435,070, based on FY 2002-2003 salary levels and Mandatory Fringe Benefits. The Police Officers Association MOU provides for Acting Assignment Pay ("like pay for like work") which permits commanding officers (i.e., the Chief of Police in this case) to assign lower ranked Police Officer employees to pay levels of higher ranks if they are performing the duties of the higher ranked position. Based on the policy decision of the Chief of Police to create the Special Operations and Security Bureau and the command positions described above, these positions are to continue in the proposed FY 2003-2004 Police Department Budget.

The proposed FY 2003-2004 Police budget as recommended by the Mayor includes the continuation of the four command positions noted above by creating three new permanent Commander III positions for the Police personnel now performing these duties on an Acting Assignment Pay basis at an annual salary of $144,832 each. Two of the permanent new Commander III positions would be created through a substitution for two Police Officer positions and one permanent new Commander position would be created. The total incremental cost of making the three Commander positions permanent is $341,922 in Salaries and Mandatory Fringe Benefits in FY 2003-2004. In addition, the fourth command position, the Deputy Chief III, would continue on an Acting Assignment Pay basis in FY 2003-2004 at an incremental cost of $136,931, for total increased costs of $478,853 in FY 2003-2004.

Policy Option 2: If the Board of Supervisors were to deny approval of the proposed three new permanent Commander III positions, and the Chief of Police did not continue to authorize the funding of the three positions and the Deputy Chief of Police III in charge of the Special Operations and Security Bureau on a Acting Assignment Pay, the Police Department FY 2003-2004 budget could be reduced by $478,853.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS

2003-2004

Department: **POL - Police**

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
ACM Operations and Administration								
275	001	Permanent Salaries - Misc				$6,175,732	$6,099,757	*
		* The recommended reduction in Permanent Salaries - Misc. is the total of the following specific recommendations regarding individual classifications.						
307	001	Contract Compliance Officer I				75,795	0	75,795
		Delete the new Contract Compliance Officer I position as previously directed by the Budget Committee. The Mayor's Budget Office requested this new position as an interim exception to the Annual Appropriation Ordiannce in order to provide a position for an anticipated layoff at the Airport. However, the Budget Committee denied this request and directed that the proposed position be restored to the Airport budget instead and eliminated from the Police budget. The Budget Analyst has learned that there are no anticipated layoffs of this position at the Airport, and recommends that the new position not be restored to the Airport budget.						
275	013	Mandatory Fringe Benefits				3,338,202	3,323,801	14,401
		Corresponds to reduction in Permanent Salaries - Misc.						
275	040	Materials and Supplies				3,284,234	3,065,234	219,000
		Reduce Materials and Supplies based on current and prior year spending patterns and overal reduction in Uniform FTEs.						
ACX	**Patrol**							
288	002	Permanent Salaries - Uniform				92,545,770	91,924,054	*
		* The recommended reduction in Permanent Salaries - Uniform is the total of the following specific recommendations regarding individual classifications.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: **POL - Police**

Page No.	Object		Position/ Equipment Number	Number		Amount		Savings
				From	To	From	To	
318		Attrition Savings - Uniform	9993 U	-113.2	-125.3	(8,538,431)	(9,160,147)	621,716

The Budget Analyst has recalculated the General Fund Uniform Salaries requirements using the Mayor's budget assumptions for attrition and new hires and the latest payroll data provided by the Controller. Our recommenation to increase attrition savings reflects the results of this recalculation.

288	013	Mandatory Fringe Benefits				9,793,034	9,714,698	78,336

Corresponds to reduction in Permanent Salaries - Unif.

289	060	Equipment Purchase				728,000	487,000	*

* The recommended reduction in equipment is the total of the following specific recommendations.

319		Equipment Purchase - Budget	06000			478,000	237,000	241,000

The Police Department's proposed budget includes the General Fund cash purchase of 8 marked police vehicles and 6 unmarked police vehicles at a total cost of $478,000 for a total of 14 police vehicles, at an average cost of $34,143 per vehicle. In addition, the proposed budget assumes a lease financing purchase of 35 additional Police vehicles at a purchase price of $1,055,000. When lease purchasing Police vehicles, the City generally also purchases Police vehicles through cash purchases in order to provide security for the vehicles acquired through lease financing in the event of destruction by accident of the lease - purchased vehicles. The Budget Analyst has reviewed the incidence of Police vehicle destruction in the past four years and determined that 2 marked police vehicles and 6 unmarked police vehicles can be safely transferred to lease financing and adequate security will be provided through the remaining vehicles acquired through cash purchases, at a FY 2003-2004 savings of $241,000.

Total Recommended Reductions **$1,250,248**

Department: **POL - Police**

Page No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings

Potential Savings from Police Options — **Potential Savings**

Policy Option 1:

Because the Mayor's proposed civilianization of 10 FTE Police Officer positions will not actually result in savings, as described above, the Board of Supervisors could consider eliminating the 10 FTE new civilian positions in the FY 2003-2004 budget and instead have the functions continue to be performed with Police Officers. Such an option would save $835,792 in Salaries and Mandatory Fringe Benefits in FY 2003-2004 and not effect current Police Officer staffing. Police Officers performing duties that could be civilianized would continue to be available for performance of police duties, as they are now, in the event of an emergency. Since the Budget Committee's deletion of the new Contract Compliance Officer I position as shown above saves $90,196 in salaries and mandatory fringe benefits, the savings from deletion fo the remainnig positions would be $745,596.

$745,596

Policy Option 2:

During FY 2002-2003, the Chief of Police formed a new unit, the Special Operations and Security Bureau, to address homeland security issues and the threat of terrorism. Four new command Police Officer positions were created by the Chief of Police without submitting a supplemental appropriation or amendment to the Annual Salary Ordinance to the Board of Supervisors for approval, to manage the Special Operations and Security Bureau. These four positions were one new Deputy Chief III at a current annual base salary of $178,181 and three new Commander III positions at current annual base salaries of $144,832. The new command positions were established by the Chief of Police as temporary exchange (Tx) positions, at an incremental annual cost of $435,070, based on FY 2002-2003 salary levels and Mandatory Fringe Benefits. The Police Officers Association MOU provides for Acting Assignment Pay ("like pay for like work") which permits commanding officers (i.e., the Chief of Police in this case) to assign lower ranked Police Officer employees to pay levels of higher ranks if they are performing the duties of the higher ranked position. Based on the policy decision of the Chief of Police to create the Special Operations and Security Bureau and the command positions described above, these positions are to continue in the proposed FY 2003-2004 Police Department Budget.

If the Board of Supervisors were to deny approval of the proposed three new permanent Commander III positions, and the Chief of Police did not continue to authorize the funding of these three positions as well as the Deputy Chief of Police III in charge of the Special Operations and Security Bureau on a Acting Assignment Pay, the Police Department FY 2003-2004 budget could be reduced by $478,853.

478,853

Total Potential Savings from Policy Options **$1,224,449**

Item 7 - File 03-0988

Department: Police Department

Item: Ordinance approving an administrative fee of $200 pursuant to Traffic Code Section 170.2-A for Police costs for towing of vehicles.

Description: If an individual is cited by the Police Department operating a vehicle without a driver's license or with a suspended or revoked driver's license, the vehicle is towed and impounded. In accordance with Traffic Code Section 170.2-A, the Police Department currently charges an additional $150 administrative fee to the individual, which must be paid in addition to any towing and storage charges, prior to the release of the vehicle. The proposed ordinance would increase this existing $150 administrative fee by $50, or 33 percent, to $200.

Comments: 1. The subject Police Department administrative fees are deposited into a Special Traffic Offender Fund. The existing $150 administrative fee is projected to generate $1,000,000 in this Special Traffic Offender Fund in FY 2002-2003. The Police Department's FY 2003-2004 budget includes projected revenues of $1,308,797, an increase of $308,797 or 31 percent for FY 2003-2004 in this Fund, which assumes that the proposed ordinance is approved by the Board of Supervisors.

2. The revenues deposited into this Special Traffic Offender Fund have historically been used to offset the Police Department's General Fund costs for traffic enforcement activities, primarily related to overtime and motorcycle equipment expenses. The additional revenues of $308,797 are proposed to be used to fund additional overtime expenses that would otherwise be General Fund expenses.

3. Based on the Controller's current analysis of the Police Department's costs to provide this service, in order to provide 100 percent cost recovery, the proposed administrative fee should be $194, or $6 less than the $200 currently being proposed under the

subject ordinance. Therefore, if the Board of Supervisors approves the proposed fee increase, the fee should be reduced from $200 to $194.

Recommendations: 1. Amend the proposed ordinance to reduce the proposed $200 administrative fee by $6 to $194 in order to not exceed 100 percent cost recovery.

2. Approve of the proposed ordinance, as amended.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: **ECN – PUBLIC FINANCE AND BUSINESS AFFAIRS**

FINANCIAL DATA:

The Mayor's Office of Public Finance and Business Affairs proposed $1,726,239 budget for FY 2003-2004 is $17,143,072 or 90.85 percent less than the original FY 2002-2003 budget of $18,869,311. The net decrease from the revised FY 2002-2003 budget is the same as the original.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
SEISMIC SAFETY LOAN PROGRAM	$ 4,442,360	$ 4,442,360	$ 286,849	$ (4,155,511)
ECONOMIC DEVELOPMENT	1,925,545	1,925,545	835,122	(1,090,423)
TREASURE ISLAND	9,619,793	9,619,793	-	(9,619,793)
OFFICE OF SMALL BUSINESS AFFAIRS	447,623	447,623	406,214	(41,409)
PUBLIC FINANCE	-	-	-	-
Net Expenditures	$ 16,435,321	$ 16,435,321	$ 1,528,185	$ (14,907,136)
Work Order Recoveries	2,433,990	2,433,990	198,054	(2,235,936)
Total Expenditures	$ 18,869,311	$ 18,869,311	$ 1,726,239	$ (17,143,072)

DEPARTMENT: ECN – PUBLIC FINANCE AND BUSINESS AFFAIRS

DEPARTMENT PERSONNEL SUMMARY:

The number of full-time equivalent positions budgeted for FY 2003-2004 is 10.00 FTEs, which is 19.46 FTEs less than the 29.46 FTEs in the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
SEISMIC SAFETY LOAN PROGRAM	1.00	1.00	0.00
ECONOMIC DEVELOPMENT	13.10	5.00	(8.10)
TREASURE ISLAND	11.36	0.00	(11.36)
OFFICE OF SMALL BUSINESS AFFAIRS	2.00	2.00	0.00
PUBLIC FINANCE	2.00	2.00	0.00
Totals	29.46	10.00	(19.46)

The reduction of 19.46 positions in FY 2003-2004 are due to the following reasons:

- The Department has budgeted for five layoffs of currently filled positions within the Economic Development Division, as follows: 1.00 FTE 0922 Manager II, 1.00 FTE 0931 Manager IV, 2.00 FTEs 0932 Manager V, and 1.00 FTE 1367 Special Assistant VIII. These positions have been responsible for special projects such as Bloomingdales renovation, the Central Freeway and the Old Mint, which will be responsibilities absorbed by other City departments.
- The Department is deleting and transferring the functions of three additional positions to the Redevelopment Agency from the Economic Development Division. The three positions to be deleted from the budget and transferred to the Redevelopment Agency are as follows: 1.00 FTE 0932 Manager V, 1.00 FTE 1369 Special Assistant X and 1.00 FTE 1371 Special Assistant XII.
- There is a minor 0.10 FTE Attrition Savings adjustment.
- In addition, the 11.36 FTE positions and functions in the Treasure Island Division are being transferred to a separate Treasure Island Development Authority budget for FY 2003-2004.

DEPARTMENT REVENUES

Department revenues have decreased by $2,116,723 or 15.05 percent and General Fund support has decreased by $1,131,832 or 47.7 percent.

DEPARTMENT: **ECN – PUBLIC FINANCE AND BUSINESS AFFAIRS**

DESCRIPTION

The Department has changed its name from Business and Economic Development to Public Finance and Business Affairs. The Department's proposed FY 2003-2004 budget shows a net decrease of $17,143,072 primarily due to:

- various non-personnel reductions totaling over $2 million.
- the transfer of the Treasure Island Development Authority positions and budget out of the Department's budget to become a separate development agency, which results in expenditure reductions of $9,619,793, including work order recoveries of $1,800,000, for a total budget of $11,419,793. The Budget Analyst notes that the Treasure Island Development Authority budget for FY 2003-2004 is $13,458,581, an increase of $2,038,788.
- a decrease of $4,064,508 for Debt Service for the Seismic Safety Loan Program.
- the transfer of three positions in the Economic Development Division to the Redevelopment Agency and the elimination of five other positions, such that expenditures for salaries and fringe benefits are decreasing by $934,958.

RECOMMENDATIONS

None.

DEPARTMENT: **PAB – BOARD OF APPEALS**

FINANCIAL DATA:

The Board of Appeals proposed $429,341 budget for FY 2003-2004 is $14,067 or 3.2 percent less than the original FY 2002-2003 budget of $443,408. The net decrease from the revised FY 2002-2003 budget is the same as the original.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
APPEALS PROCESSING	$ 443,408	$ 443,408	$ 429,341	$ (14,067)
Total Expenditures	$ 443,408	$ 443,408	$ 429,341	$ (14,067)

DEPARTMENT PERSONNEL SUMMARY:

The proposed budget would not result in layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 4.45 FTEs, which is .15 FTE less than the 4.60 FTEs in the original FY 2002-2003 budget. The FTE allocations are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
APPEALS PROCESSING	4.60	4.45	(0.15)
Totals	4.60	4.45	(0.15)

DEPARTMENT REVENUES

DEPARTMENT: PAB – BOARD OF APPEALS

Department revenues are projected to increase by $75,941 from $52,000 to $127,941 or 146.0 percent due to proposed increases in Board of Appeals fees, pending approval by the Board of Supervisors, and General Fund support is projected to decrease by $90,008 or 23.0 percent.

DESCRIPTION

In FY 2003-04, the Department's proposed budget decrease is $14,067. Decreases in this budget include a $15,153 reduction in mandatory fringe benefits and permanent salaries, and a $50 reduction in materials and supplies. These decreases are offset slightly by a $1,136 increase for services of other departments.

As previously mentioned, this proposed budget is based on increases in revenues generated from pending increases in Board of Appeals fees. Additionally, pending before the Board of Supervisors is legislation (File No. 03-0916), an amendment to this ordinance will be introduced to the Budget Committee on June 26, 2003. This amendment would impose a surcharge on permits and fees that may be appealed to the Board of Appeals issued by the Department of Building Inspection, the Taxi Commission, the Police Department, and the Planning Department. Surcharges are set such that projected revenues generated from these charges combined with Board of Appeals fees charged to appellants would fully support the Board of Appeals, thereby reducing General Fund support to zero.

RECOMMENDATIONS

None

Note: An Amendment of the Whole will be introduced at the Budget Committee meeting of June 27, 2003. This report is based on the current ordinance.

Item 10 – File 03-0916

Department: Board of Appeals

Item: Ordinance amending the Administrative Code by adding a new Article 10G, imposing a surcharge on permits issued by the Department of Building Inspection, the Taxi Commission, the Police Department and the Department of Public Works, and imposing a surcharge on fees imposed by the Planning Department for review of permits where such permits are subject to appeal before the Board of Appeals.

Description: The proposed ordinance would impose a surcharge on certain fees and permits that are subject to appeal before the Board of Appeals. Under the ordinance the following permits and fees that can be appealed to the Board of Appeals pursuant to Charter Section 4.106, would be subject to a surcharge:

- Fees imposed under Planning Code Sections 353(a), 353(b), 353(d)(3), 353(d)(4), 353(d)(5) or 355 for review of permits would be subject to a surcharge of $6.50;
- Permits issued pursuant to Building Code Section 110: Tables 1-A, 1-G, Item 3, 1-H, or 1-Q, Item 5 would be subject to a surcharge of $6.50;
- Permits issued pursuant to Public Works Code would be subject to a surcharge of $0.58;
- Permits issued pursuant to Police Code Section 2.26 would be subject to a surcharge of $11.25; and
- Permits issued pursuant to Police Code Section 2.26.1 would be subject to a surcharge of $7.26.

However, as noted in Comment No. 2, these surcharge amounts may be revised. The proposed ordinance provides that the surcharges for each fee or permit subject to the ordinance would result in revenues equal to the amount of Board of Appeals' costs attributable to each permit or fee. However, the ordinance further provides that in no event would the adjusted surcharge result in revenues in excess of the amount of Board of Appeals' costs attributable to permit or fee.

Under the proposed ordinance, the Controller would adjust the surcharges in accordance with the Consumer Price Index. In addition, the proposed ordinance provides that: (a) no later than January 31 of each year, the Board of Appeals submit to the Controller the allocation by Department of permits or fees appealed to the Board of Appeals during the previous fiscal year; (b) no later than April 15 of each year, each department authorized to collect the surcharge submit to the Controller a current surcharge schedule and if applicable, the number of appealable permits filed during the previous fiscal year and (c) no later than May 15 of each year, the Controller adjust the surcharges to ensure that each surcharge produces sufficient revenue to support each fee category's allocable share of Board of Appeals costs and that each surcharge does not produce revenue which is projected to exceed each fee category's allocable share of Board of Appeals costs.

Comments:

1. File 03-0621, pending before the Board of Supervisors, would increase all existing Board of Appeals fees by 114 percent, except for one fee for Rehearing Requests which would increase by 182 percent. The subject surcharges contained in this subject ordinance would be in addition to the Board of Appeals' existing fees.

2. The revenues generated by the existing Board of Appeals fees accrue to the City's General Fund. Mr. Robert Feldman, Executive Director of the Board of Appeals, advises that the Board of Appeals budgeted $52,000 of revenues to be generated from existing fees in FY 2002-2003 and included $127,580 in revenues to be generated from existing fees in FY 2003-2004. Mr. Adam Van de Water of the Legislative Analyst's Office advises that the proposed new surcharge is intended to result in full cost recovery for the Board of Appeals. However, Mr. Van de Water advises that projected revenues from the proposed surcharge schedule included in the proposed ordinance are $433,325 based on FY 2001-2002 permits appealable to the Board of Appeals. Revenues of $433,325 plus projected revenues of $127,580 from

existing fees would result in total projected revenues of $560,905, or $131,564 more than the proposed Board of Appeals FY 2003-2004 budget of $429,341. Mr. Van de Water advises that a revised surcharge schedule will be introduced to the Budget Committee at the Budget Committee meeting of June 27, 2003.

3. Based on the surcharges as currently proposed, the proposed surcharge schedule would result in projected revenues in excess of full cost recovery for the Board of Appeals.

Recommendations: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: LLB – LAW LIBRARY

FINANCIAL DATA:

The Law Library's proposed $512,962 budget for FY 2003-2004 is $11,724 or 2.2 percent less than the original FY 2002-2003 budget of $524,696. The net increase from the revised FY 2002-2003 budget is $11,724 or 2.2 percent.

SUMMARY OF PROGRAM EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
LAW LIBRARY	$ 524,686	$ 524,686	$ 512,962	$ (11,724)
Total Expenditures	$ 524,686	$ 524,686	$ 512,962	$ (11,724)

DEPARTMENT PERSONNEL SUMMARY:

The department has not budgeted for any lay-offs in FY 2003-2004. The number of full-time equivalent positions budgeted for FY 2003-2004 is 3.00 FTEs, which is the same as the original FY 2002-2003 budget. The FTE allocations by program are as follows:

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
LAW LIBRARY	3.00	3.00	0.00
Totals	3.00	3.00	0.00

DEPARTMENT: LLB – LAW LIBRARY

DEPARTMENT REVENUES

Department Revenues have increased by $16,183 or 100.0 percent and General Fund support has decreased by $27,907 or 5.3 percent. The $16,183 in revenues is obtained from gifts and private grants. This was not a source of funding for the Law Library in FY 2002-2003 during which all support came from the General Fund.

DESCRIPTION

In FY 2003-2004, the Department's proposed budget shows a net decrease of $11,724. This decrease is a result of the following changes: (a) Total personnel costs including Permanent Salaries and Mandatory Fringe Benefits is decreasing by a net amount of $2,043, (b) Materials and Supplies is decreasing by $3,264, (c) Professional and Specialized Services is decreasing by $15,000 because insurance expenditures were transferred to Services of Other Departments, (d) this transfer is offset by reductions in costs for the Department of Telecommunications and Information Services (DTIS), resulting in a net increase of $8,583 for Services of Other Departments.

RECOMMENDATIONS

None

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: **Red - San Francisco Redevelopment Agency (SFRA)**

FINANCIAL DATA:

The SFRA's proposed $159,942,000 budget for FY 2003-04 is $44,129,000 or 38.1 percent, more than the approved FY 2002-03 budget of $115,813,000.

(Dollars in Thousands)

		Approved Budget FY 2002-2003	Proposed Budget FY 2003-2004	Proposed Increase (Decrease)
Amount:	Expenditure Budget	$ 115,813	$ 159,941	$ 44,128
Revenues:	Property Sales	-	2,699	2,699
	Rentals/Leases	11,523	12,217	694
	Prior Year Earn./Savings	8,955	40,583	31,628
	Developer Contribution	5,868	6,456	588
	Grants	8,284	7,170	(1,114)
	Other	2,022	1,951	(71)
	Tax Increment (for O/S Obligations)	33,472	31,610	(1,862)
	Total Revenues:	$ 70,124	$ 102,686	$ 32,562
Expenditures:	**Project Areas / Programs**			
	Legal	1,307	2,508	1,201
	Studies & Misc. Items (1)	2,443	1,467	(976)
	Planning	654	494	(160)
	Acquisition	980	510	(470)
	Public Improvements	1,786	6,471	4,685
	Arch./Eng.Design & Review	610	1,872	1,262
	Relocation	450	320	(130)
	Property Maintenance	8,397	9,679	1,282
	Housing Production & Assist.	44,639	70,165	25,526
	Job Training/Assist.	944	1,002	58
	Business Dev/Revitalization	1,745	1,702	(43)
	Other	2,266	1,699	(567)
	Pass-Through Obligations	4,129	6,765	2,636
	Debt Service	30,438	39,151	8,713
	Subtotal - Project Areas / Programs	$ 100,788	$ 143,805	$ 43,017
	Personnel / Administration			
	Personnel Costs	$ 11,786	$ 12,692	$ 906
	Administrative Costs	3,239	3,445	206
	Subtotal - Personnel / Admin.	$ 15,025	$ 16,137	$ 1,112
	Total Expenditures	$ 115,813	$ 159,942	$ 44,129
	Total Revenues	70,124	102,686	32,562
	Surplus (Deficit)	$ (45,689)	$ (57,256)	$ (11,567)
Other Funding Sources:	Tax Increment (pay-as-you-go)	$ 10,059	$ 6,765	$ (3,294)
	Tax Inc. Bond Proceeds	35,630	50,489	14,859
	Total Deficit Financing	$ 45,689	$ 57,254	$ 11,565
Tax Increment:	Net SFRA Tax Increment Request	$ 40,698	$ 34,188	$ (6,510)
	Total General Fund Impact	$ 28,295	$ 24,944	$ (3,351)
FTEs:	Permanent Staff	114.1	112.1	(2.0)

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: **Red - San Francisco Redevelopment Agency (SFRA)**

The SFRA FY 2003-04 proposed budget includes expenditures for Survey Areas, Project Areas, Program, and Administration and Personnel.

REDEVELOPMENT SURVEY AREAS:

Under California State law, before a redevelopment area can be initiated, the Board of Supervisors must designate the area as a survey area. Then the San Francisco Redevelopment Agency will undertake a study to determine if creation of a project is warranted and develop a preliminary plan. Once the preliminary plan is complete, the Redevelopment Agency will present the plan to the Planning Commission and the Board of Supervisors for consideration of adoption to make the survey area a Project Area.

The three Survey Areas in the SFRA's proposed budget for FY 2003-04 of $23,453,000 are $7,646,000, or 48.4 percent, more than the approved FY 2002-03 budget of $15,807,000. Current Project Survey Areas are summarized as follows:

(Dollars in Thousands)

	Approved Budget FY 2002-2003	Proposed Budget FY 2003-2004	Proposed Increase (Decrease)
Project Survey Areas			
Bayview Hunters Point	$ 10,466	$ 6,318	$ (4,148)
Mid Market	4,955	5,902	947
Transbay Terminal	386	11,233	10,847
Total	$ 15,807	$ 23,453	$ 7,646

According to the Redevelopment Agency, the primary increases in funding for the Survey Areas result from the SFRA Housing Production and Assistance expenditures of (a) $10,000,000 in the Transbay Terminal Survey Area; (b) $5,400,000 in acquisition of sites along Third Street in the Bayview Hunters Point Survey Area, and (c) $5,000,000 in the Mid Market Survey Area, expenditures which do not require the creation of a Project Area.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: **Red - San Francisco Redevelopment Agency (SFRA)**

REDEVELOPMENT PROJECT AREAS:

A Project Area is a designated redevelopment area, which was approved by the Board of Supervisors. As shown in the table below, there are 13 existing Project Areas, for which the Redevelopment Agency's proposed budget for FY 2003-04 of $103,182,000, is $21,826,000, or 26.8 percent, more than the approved budget of $81,356,000 for FY 2002-03. Changes to individual projects programs are as follows:

(Dollars in Thousands)

Existing Program Areas	Approved Budget FY 2002-2003	Proposed Budget FY 2003-2004	Proposed Increase (Decrease)
Mission Bay South	$ 1,536	$ 2,409	$ 873
Mission Bay North	3,614	10,302	6,688
Rincon Point - South Beach	7,834	9,374	1,540
Golden Gateway	9,806	13,258	3,452
South of Market	12,777	14,374	1,597
Western Addition, A2	18,423	14,675	(3,748)
South Beach Harbor	3,107	2,998	(109)
Yerba Buena Gardens & Center for the Arts	7,960	7,783	(177)
India Basin	479	456	(23)
Hunters Point	1,039	1,353	314
Hunters Point Shipyard	3,381	4,292	911
Federal Office Building (GSA	48	0	(48)
Yerba Buena Center	11,352	21,908	10,556
Total	$ 81,356	$ 103,182	$ 21,826

According to the SFRA, the Project Areas, such as Mission Bay North & South will not be completed until 2028 and Hunters Point Shipyard will not be completed until 2027. These new project areas will require continuing financial assistance throughout their life.

According to the SFRA, the South of Market Plan expires in 2010 and will need financial assistance in the form of tax increment throughout the life of the Plan. Except for low and moderate-income housing, the SFRA's financing requirements are minimal beyond fiscal year 2003/04 for Hunters Point, India Basin, Rincon Point-South Beach, Yerba Buena Center, and Western Addition A2. According to Mario Menchini of the San Francisco Redevelopment Agency, the SFRA's ability to finance improvements with tax increment in these project areas ceases January 1, 2004, even though land use authority remains with the SFRA for another five years, except Rincon Point-South Beach, which expires January 5, 2001.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: **Red - San Francisco Redevelopment Agency (SFRA)**

Based on data provided by the SFRA, the following table provides an overview of existing redevelopment project areas including the respective redevelopment plan adoption dates and legally mandated plan deadlines. In addition, SFRA has reported on estimates of redevelopment work completed to date for each of the respective project areas.

		Plan Limits Termination Dates			
Project Area	**Plan Adoption Date**	**Establishing Debt (1)**	**Plan Expiration**	**Repayment of Debt (2)**	**Redevelo Complete**
Rincon Point-South Beach	01/05/81	01/01/04	01/05/21	01/05/31	90%
Western Addition, A2	10/13/64	01/01/04	01/01/09	01/01/19	89%
Yerba Buena Center	04/25/66	01/01/04	01/01/09	01/01/19	92%
Hunters Point	01/20/69	01/01/04	01/20/09	01/01/19	95%
India Basin	01/20/69	01/01/04	01/20/09	01/01/19	95%
South of Market	06/11/90	06/11/10	06/11/10	06/11/20	50%
Golden Gateway	05/25/59	01/01/04	01/01/09	01/01/19	100%
Federal Office Building	10/14/97	12/15/16	10/14/17	12/15/41	100%
Mission Bay North	10/26/98	10/26/18	10/26/28	10/26/43	6%
Mission Bay South	11/02/98	11/02/18	11/02/28	11/02/43	6%
Hunters Point Shipyard	07/14/97	07/14/17	07/14/27	11/02/42	6%

REDEVELOPMENT PROGRAMS:

As shown in the table below, for the three Redevelopment Agency Programs, the Redevelopment Agency's proposed budget for FY 2003-04 of $33,307,000, is $14,386,000, or 76.0 percent, more than the approved budget of $18,921,000 for FY 2003-04. Changes to individual programs are as follows:

(Dollars in Thousands)

Existing Program Areas	Approved Budget FY 2002-2003	Proposed Budget FY 2003-2004	Proposed Increase (Decrease)
Citywide Housing and Housing Opportunities for Persons with AIDS (HOPWA)	16,058	30,305	14,247
Central Relocation Services	1,012	1,039	27
Economic Development	1,851	1,963	112
Total	$ 18,921	$ 33,307	$ 14,386

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: **Red - San Francisco Redevelopment Agency (SFRA)**

Housing continues to be a central strategic initiative for the SFRA. The goals are to help alleviate the shortage of affordable housing, to alleviate the expected loss of currently affordable housing and to meet current legal obligations with respect to replacement housing in the City.

REDEVELOPMENT AGENCY PERSONNEL SUMMARY:

Overall, including permanent and temporary positions, the SFRA has a net increase in total personnel of 0.5 FTE in the FY 2003-04 budget from 122.10 to 122.60. The SFRA has a net decrease of 2.0 FTEs in permanent positions in the FY 2003-04 budget from 114.10 to 112.10. According to the SFRA, this decrease is the result of layoffs of a 1.0 FTE Accountant I position and a 1.0 FTE Environmental Assessment Specialist position. The SFRA has a net increase of 2.5 FTEs in temporary / part-time positions in the FY 2003-04 budget from 8.0 to 10.5. This increase is associated with the inclusion of the 3.0 FTE from the Mayor's Office of Economic Development Office in the SFRA, offset by a decrease in Planning/Project Associate. This includes a 1.0 FTE Management Assistant I position and 2.0 FTE Staff Associate V position. As noted in the Financial Data table on the front page of this report, the SFRA's proposed personnel costs of $12,692,000 for FY 2003-04 is $906,000, or 7.7 percent, more than the approved FY 2002-03 budget of $11,786,000.

REDEVELOPMENT AGENCY ADMINISTRATIVE COSTS:

As noted on the first page of this report, the recommended Administrative Costs budget for FY 2003-04 of $3,445,000 is $206,000, or 6.4 percent, more than the approved FY 2002-03 budget of $3,239,000. According to the Redevelopment Agency, this increase in expenditures for Administrative Costs are primarily because of an increase (a) of $94,500, or 48.6 percent, in Miscellaneous Expenses; (b) $64,690, or 4.7 percent, increase in Office Rent; and, (c) $62,108 in general insurance.

REDEVELOPMENT REVENUE:

The SFRA reports that the net tax increment request (i.e., net of AB 1290 Pass-Throughs to the City[1]) will be $34,188,000 for FY 2003-04. The net tax increment request (i.e., net of AB 1290 Pass-Throughs to the City) approved for FY 2002-03 was $40,698,000. The FY 2002-03 budget of $34,188,000 is $6,510,000, or 16.0 percent, less than the FY 2002-03 budget. The SFRA's General Fund FY 2003-04 budget of $24,944,000 is $3,351,000, or 11.8 percent, less than $28,295,000 in FY 2002-03.

In addition to the above request for tax increment financing, the SFRA is requesting authorization of bond financing (File No. 03-0985) in the amount not to exceed $61.0 million that will fund Redevelopment activities for FY 2003-04. Of that $61.0 million, $50,489,000, or

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[1] AB 1290, a State bill passed in 1993, set specific term limits for new and previously adopted project areas and set a uniform pass-through rate of 20 percent for the first ten years, increasing thereafter to approximately 33 percent for new projects. AB 1290 requires redevelopment agencies to "pass through" to other taxing agencies, including the City and County of San Francisco, a portion of their tax increment revenues.

82.8 percent will directly fund SFRA Work Program Activities. The Bond financing request would be used as follows:

Description	**Amount**
Construction Fund	$50,489,000
Costs of Issuance (includes financial advisor, bond counsel, printing, trustee, rating agencies and other miscellaneous expenses)	200,000
Original Issue Discount	308,891
Debt Service Reserve Fund	6,177,818
Insurance	877,043
Underwriters Discount	617,782
Capitalized Interest	2,265,200
Contingency (required since actual finance costs are not presently known)	64,266
Total	$61,000,000

Recommendations:

1. Amend the SFRA's proposed FY 2003-04 budget in accordance with the Budget Analyst's recommended reductions of $431,475 on the following pages.

2. Approve the SFRA budget as amended and approve the issuance of SFRA bonds not to exceed $61,000,000 (File No. 03-0985).

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

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epartment: RED - San Francisco Redevelopment Agency

age No.	Object	Position/ Equipment Number	Number From	 To	Amount From	 To	Savings
dministrative Budget					$3,444,757	$3,304,127	*
	*Reduce to the Administrative Budget by the following specific recommendations.						
	General Insurance				235,608	215,608	20,000
	Reduce to $215,608 based on need, as identified by the Redevelopment Agency.						
	Postage and Express				45,320	42,000	3,320
	Reduce to FY 2002-03 budget level. The expenditures through May, 31, 2003 are $34,818. The FY 2001-02 expenditures were $41,461.						
	Purchase Machines/Equip./Fur.				300,450	211,450	89,000
	Reduce to actual FY 2002-03 expenditure level. The expenditure through May, 31, 2003 are $129,805 and based on need as identified by the Redevelopment Agency.						
	Maintenance Machines/Equip./Fur.				177,210	155,000	22,210
	Reduce to actual FY 2002-03 expenditure level. The expenditure through May, 31, 2003 are $125,625. In FY 2001-02 the actual expenditures were $148,268.						

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-04

Department: RED - San Francisco Redevelopment Agency

Page No.	Object	Position/ Equipment Number	Number		Amount		Savings
			From	To	From	To	
	Travel - Local				12,300	11,500	800
	Reduce to actual FY 2002-03 expenditure level. The expenditure through May, 31, 2003 are $11,104. In FY 2001-02 the actual expenditures were $11,223.						
	Maintenance - Agency Vehicles				8,500	6,800	1,700
	Reduce to actual FY 2002-03 expenditure level. The expenditure through May, 31, 2003 are $6,537. In FY 2001-02 the actual expenditures were $6,716.						
	Office Supplies				125,600	122,000	3,600
	Reduce to FY 2002-03 budget level. The expenditures through May, 31, 2003 are $97,605. In FY 2001-02 the actual expenditures were $121,697.						
Project Area / Program Budget							
	Rincon Point - South Beach				9,374,000	9,289,000	*
	* The recommended reduction to the Rincon Point - South Beach Project Area budget is the total of the following specific project costs.						
	Legal Services				85,000	0	85,000
	Reduce to $0 to reflect actual need as identified by the SFRA. In FY 2002-03, Legal Services expenditures were $7,090 which left the Redevelopment Agency with $67,910 in carryover funds from FY 2002-03, which the Redevelopment Agency has indicated in sufficient funds for Legal Service for FY 2003-2004 for the Rincon Point - South Beach Project Area.						

epartment: RED - San Francisco Redevelopment Agency

age No.	Object	Position/ Equipment Number	Number From	Number To	Amount From	Amount To	Savings
	Western Addition, A-2 * The recommended reduction to the Western Addition, A-2 Project Area budget is the total of the following specific project costs.				14,675,000	14,620,000	*
	Legal Services Reduce to $75,000 to reflect actual need as identified by the SFRA. In FY 2002-03, Legal Services expenditures were $0 which left the Redevelopment Agency with $75,000 in carryover funds from FY 2002-03, which the Redevelopment Agency has indicated is sufficient funds for legal services for FY 2003-04.				130,000	75,000	55,000
	Total Recommended Reductions						280,630

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

DEPARTMENT: TREASURE ISLAND DEVELOPMENT AUTHORITY

FINANCIAL DATA:

The Treasure Island Development Authority's proposed $13,458,581 budget for FY 2003-2004 is $2,038,788 or 17.9 percent more than the original FY 2002-2003 budget of $11,419,793. The net increase from the revised FY 2002-2003 budget is the same as the original.

SUMMARY OF EXPENDITURES:

Program Expenditures	Fiscal Year 2002-2003 Original	Fiscal Year 2002-2003 Revised	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) 2002-2003 Original Budget
TREASURE ISLAND DEVELOPMENT AUTHORITY	$ 9,619,793	$ 9,619,793	$ 11,658,581	$ 2,038,788
Net Expenditures	$ 9,619,793	$ 9,619,793	$ 11,658,581	$ 2,038,788
Work Order Recoveries	1,800,000	1,800,000	1,800,000	--
Total Expenditures	$ 11,419,793	$ 11,419,793	$ 13,458,581	$ 2,038,788

PERSONNEL SUMMARY:

The Authority has not budgeted for any layoffs. The number of full-time equivalent positions budgeted for FY 2003-2004 is 11.39 FTEs, which is the same as the original FY 2002-2003 budget.

Program Full Time Equivalents	Fiscal Year 2002-2003 Original	Mayor's Budget Fiscal Year 2003-2004	Proposed Increase (Decrease) From 2002-2003 Original Budget
TREASURE ISLAND DEVELOPMENT AUTHORITY	11.39	11.39	0.00
Totals	11.39	11.39	0.00

DEPARTMENT: TREASURE ISLAND DEVELOPMENT AUTHORITY

DEPARTMENT REVENUES

Authority revenues have decreased by $3,793 or 0.04 percent.

DESCRIPTION

In prior years, Treasure Island's budget was included in the Mayor's Office of Economic Development. The proposed resolution (June 27, 2003 Budget Committee Meeting, Item 10 - File 03-1132) would approve the budget of the Treasure Island Development Authority for FY 2003-2004 as a separate entity. Similar to the Redevelopment Agency, the proposed Treasure Island Development Authority FY 2003-2004 budget is not included in the City's FY 2003-2004 Annual Appropriation Ordinance.

As reflected above, the increase in the Authority's budget is $2,038,788 or 17.9 percent. Changes in the proposed FY 2003-2004 budget include:

- A decrease of $345 for salaries and fringe benefits;
- An increase of $1,149,500 for non-personnel expenditures, primarily due to (a) rental of two standby generators to ensure uninterrupted power on Treasure Island while the East Bay span of the Bay Bridge is under construction and (b) an increase in professional and specialized services for additional activities related to the transfer of Federal property to the Authority and the establishment of a Redevelopment project area;
- An increase of $1,020,731 for services provided by the City and County of San Francisco, primarily due to a $900,000 increase in payments to the Fire Department for actual expenses and additional services and a $287,750 increase in payments to the Public Utilities Commission to provide improvements for wiring and electrical transmission. According to the Authority, these increases are the result of negotiations between the Authority and the Mayor's Office of Finance and Legislative Affairs; and
- A decrease of $131,098 for appropriated unreserved revenues.

In accordance with the proposed resolution (File 03-1132), the Treasure Island Development Authority will annually report to the Board of Supervisors on the status of redevelopment projects currently underway on the former Naval Station Treasure Island with the submission of future annual budgets.

The Budget Analyst's following recommended reductions of $188,000 to the Treasure Island Development Authority, if approved by the Board of Supervisors, would be returned to the Development Authority's Reserve Fund, if approved by the Treasure Island Development Authority.

RECOMMENDATIONS OF THE BUDGET ANALYST FOR AMENDMENT OF BUDGET ITEMS
2003-2004

Department: Treasure Island Development Authority

				Number		Amount		
Page No.	Object		Position/ Equipment Number	From	To	From	To	Savings
N/A	031	Rents and Leases - Equipment Reduce Rents and Leases - Equipment Budget for amount budgeted as a contingency to pay for fuel if power to Treasure Island is interrupted and generators must be used. The fund balance projections for FY 2003-2004 indicate that the Treasure Island Authority will have a sufficient fund balance to cover the additional requested $130,000 fuel contingency.				$550,000	$420,000	$130,000
N/A	035	Other Current Expenses Reduce to FY 2002-2003 projected expenditure level.				53,000	15,000	38,00
N/A	040	Materials and Supplies Reduce to FY 2002-2003 projected expenditure level.				25,000	5,000	20,00
		Total Recommended Reductions						**$188,00**

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City and County of San Francisco

Meeting Agenda

Budget Committee

Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona Ma and Matt Gonzalez

Clerk: Victor Young

Thursday, July 10, 2003 **1:00 PM** **City Hall, Room 263**

Regular Meeting

Meeting Convened

If a quorum of the Board of Supervisors members is present, Supervisor Daly will hold a Special Board of Supervisors meeting in order to hear the Fiscal Year 2003-04 budgets of the San Francisco City and County Departments.

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

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AGENDA CHANGES

REGULAR AGENDA

1. 030903 **[IHSS Provider Benefits Contract Approval San Francisco IHSS Public Authority]**

Supervisors Dufty, Newsom

Resolution approving the contract between the City and County of San Francisco and San Francisco In-Home Supportive Services (IHSS) Public Authority for the provision of health and dental benefits to IHSS Independent Providers for the period of July 1, 2003 to June 30, 2006, in the amount of $56,318,103.

(Fiscal impact; No Public Benefit Recipient.)

5/19/03, RECEIVED AND ASSIGNED to City Services Committee.

6/12/03, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: David Curto, Director of Contracts, DHS; Supervisor Newsom; Supervisor Dufty.
Amendment of the Whole correcting contract amount.
Supervisor Newsom added as cosponsor.

6/12/03, RECOMMENDED AS AMENDED.

6/24/03, REFERRED to Budget Committee.

2. 030904 **[Child Care Services Contract Approval - Children's Council of San Francisco]**

Supervisors Dufty, Newsom

Resolution approving the contract between the City and County of San Francisco and the Children's Council of San Francisco to provide child care services, for the period from July 1, 2003 to June 30, 2006, in the amount of $104,579,925.

(Fiscal impact; No Public Benefit Recipient.)

5/19/03, RECEIVED AND ASSIGNED to City Services Committee.

6/12/03, RECOMMENDED. Heard in Committee. Speakers: David Curto, Director of Contracts, DHS; Supervisor Newsom.
Supervisor Newsom added as cosponsor.

6/24/03, REFERRED to Budget Committee.

3. 030429 **[Assessment Appeals]**

Supervisor Daly

Hearing to discuss the number of appeals filed to assessments in the City and County of San Francisco, to determine the fiscal impact of these appeals, and to evaluate the capacity of the Assessor and Assessment Appeals Board to respond.

3/18/03, RECEIVED AND ASSIGNED to Budget Committee.

4. 030461 **[Surplus City Property]**

Supervisor Daly

Hearing to discuss plans to sell surplus City property to balance the City's budget, and review implementation of the surplus City property ordinance.

3/18/03, RECEIVED AND ASSIGNED to Budget Committee.

5. 031060 **[Accurately reflect Fire'Department member work schedule]**

Supervisor Daly

Ordinance amending Article II, Chapter 16, sections 16.10, 6.11, 16.12, and 16.15 of the San Francisco Administrative Code to accurately reflect workdays for firefighters.

6/10/03, RECEIVED AND ASSIGNED to Budget Committee.

6. **030791** **[Budget Hearing and Review, FY 2003-04]**

Hearing to consider the Annual Budget for the San Francisco Airport for fiscal year 2003-2004.

5/6/03, RECEIVED AND ASSIGNED to Budget Committee.

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: John Martin, Director, SF Airport; female speaker, SF Airport; Monique Zmuda, Deputy Controller; Ted Lakey, Deputy City Attorney.

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: John Martin, Airport; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller; Olie Sether, Operation Supports, Airport; Harvey Rose, Budget Analyst; Ken Bruce, Budget Analyst's Office; Ms. Ito, Airport Commission; Ted Lakey, Deputy City Attorney; female speaker;

6/25/03, CONTINUED. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Office; John Martin, Director; Ed Harrington, Controller.

Continued to July 10, 2003.

7. **031183** **[Government Funding-SF Airport, Fiscal Year 2003-04]**

Annual Appropriation Ordinance appropriating all estimated receipts and all estimated expenditures for the San Francisco Airport for fiscal year ending June 30, 2004.

6/27/03, CONTINUED. Divided from File No. 030787.

Continued to July 10, 2003.
6/30/03, RECEIVED AND ASSIGNED to Budget Committee. Divided from 030787.

8. **031184** **[Public Employment-SF Airport, Fiscal Year 2003-04]**

Annual Salary Ordinance enumerating positions in the Annual Budget and Appropriation Ordinance for the San Francisco Airport for Fiscal Year ending June 30, 2004, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the Annual Appropriation Ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor.

6/27/03, CONTINUED. Divided from File No. 030788.

Continued to July 10, 2003.
6/30/03, RECEIVED AND ASSIGNED to Rules Committee. Divied from file 030788.

CLOSED SESSION

Conference with the City's Labor Negotiators: Collective Bargaining

This closed session is permitted by Government Code Section 54957.6(a), and San Francisco Administrative Code Section 67.8.

9. **030223** **[Labor Negotiations]**

Supervisor Daly

Closed session hearing to consider the positions of all the City's labor negotiating teams and the timeline for memoranda of agreement to be developed and approved at the Board of Supervisors.

2/11/02, RECEIVED AND ASSIGNED to Budget Committee. Sponsor requests this item be scheduled for consideration at the February 20, 2003 meeting.
2/20/03, CONTINUED. Portion Heard in Open Session. Speakers: Supervisor Gavin Newsom; Alice Villagomez, Human Resources; Ed Gazzano, Human Resources of Health Department; Ed Harrington, Controller; Monic Contro, Controllers Office; Ken Bruce, Budget Analysts Office; Female Speaker.

Heard in Closed Session.

Continued to March 6, 2003.
3/6/03, CONTINUED. Heard in open session. Speakers: none.
Closed session portion of hearing cancelled.

Continued to March 27, 2003.
3/27/03, CONTINUED TO CALL OF THE CHAIR.
4/10/03, CONTINUED TO CALL OF THE CHAIR.
5/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: none.

After a closed session, if one occurs, the Committee shall adopt a motion either to disclose or not to disclose.

[Elect To Disclose]
Motion that the Committee finds it is in the public interest to disclose information discussed in closed session, and directs the Chair immediately to disclose that information.

[Elect Not to Disclose]
Motion that the Board finds that it is in the best interest of the public that the Board elect at this time not to disclose its closed session deliberations listed above.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Budget Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

There are no items now pending under the 30 day rule.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are cablecast on SF Cable 26. For video tape copies and scheduling call (415) 557-4293.

Requests for language translation at a meeting must be received no later than noon the Friday before the meeting. Contact Ohn Myint at (415) 554-7704.

AVISO EN ESPAÑOL: La solicitud para un traductor en una reunion debe recibirse antes de mediodia de el viernes anterior a la reunion. Llame a Erasmo Vazquez (415) 554-4909.

翻譯 *必須在會議前最少四十八小時提出要求*
請電 (415) 554-7701

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

All meetings are real-time captioned and are cablecast open-captioned on SF Cable 26.

The following services are available when requested 48 hours before the Committee meeting. This advance notice will help ensure availability.

· For American Sign Language interpreters or use of a reader during a meeting, contact Ohn Myint at (415) 554-7704.

· For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

· Assistive listening devices are available from the receptionist in the Clerk of the Board's Office, Room 244, prior to the meeting.

· The Clerk of the Board's Office TTY number is (415) 554-5227.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102 by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org

Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

[Budget Analyst Report]
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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 3, 2003

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: July 10, 2003 Budget Committee Meeting

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Item 1 – File 03-0903

Department: Department of Human Services (DHS)

Item: Resolution approving the contract between the City and County of San Francisco and San Francisco In-Home Supportive Services (IHSS) Public Authority for the provision of health and dental benefits to IHSS Independent Providers for the three-year period of July 1, 2003 to June 30, 2006, in an amount not to exceed a total of $56,318,103 over the three-year contract period.

Contract Amount: Not to exceed $56,318,103

Source of Funds:

General Fund monies including $7,181,860* in DHS's FY 2003-2004 budget and an anticipated $16,201,932 for the FY 2004-2005 and FY 2005-2006 budgets	$23,383,792
Federal and State Medicaid Funds including $10,115,110* in DHS's FY 2003-2004 budget and an anticipated $22,819,202 for the FY 2004-2005 and FY 2005-2006 budgets	32,934,311
Total	$56,318,103

*Total of $17,296,970 in FY 2003-2004

Contract Period: Three years, from July 1, 2003 through June 30, 2006 (see Comment No. 1)

Budget: A budget for the proposed three-year contract of up to $56,318,103 is shown in the Attachment, provided by the DHS.

Description: In-Home Supportive Services (IHSS) is an entitlement program which provides funding for low-income seniors and disabled people to receive non-medical personal care and other household assistance in their homes from visiting workers. IHSS care can allow seniors and disabled persons to remain in their own homes and thereby avoid unnecessary and expensive hospitalization or institutionalization. According to Mr. Joseph Huang of the Department of Human Services (DHS), there are currently over 14,000 clients in San Francisco's IHSS program. IHSS services are provided by either independent providers or contracted out to outside agencies. Mr. Huang reports that approximately 90 percent of IHSS services are provided by approximately 12,350 IHSS independent providers in San Francisco.

In May of 1995, the Board of Supervisors established the San Francisco In-Home Supportive Services (IHSS) Public Authority as an independent public agency, pursuant to California Welfare and Institutions Code Section 12301.6, in order to be the employer of record for the IHSS independent providers and to administer health and dental benefits to the independent providers. Mr. Huang reports that since the San Francisco IHSS Public Authority was specifically established to be the employer of record for the IHSS and to administer health and dental benefits to the IHSS workers, the proposed contract was awarded on a sole source basis to the San Francisco IHSS Public Authority.

The proposed resolution would authorize the renewal of an existing contract between the DHS and the San Francisco IHSS Public Authority to provide health and dental benefits to IHSS independent providers for the three-year period from July 1, 2003 through June 30, 2006. Mr. Huang advises that this contract previously did not require approval by the Board of Supervisors because the annual amount for the health and dental benefits was under $10,000,000. However, according to Mr. Huang, with an increase in the health plan's premium rate and the continued increase in IHSS workers obtaining health and dental benefits through the San Francisco IHSS Public Authority, the contract amount this year will be $17,296,970, which exceeds the $10,000,000 threshold and therefore requires Board of Supervisors approval.

Health benefits are provided through the City's Health Plan. For the first eight months of FY 2002-2003, the number of IHSS independent providers covered by the City's Health Plan has increased from 4,496 to 4,932, an increase of 436 or 9.7 percent. The 4,932 represents those IHSS independent providers out of the total 12,350 independent providers who enroll with the San Francisco IHSS Public Authority. According to Mr. Huang, IHSS independent providers are becoming increasingly aware that they may obtain health and dental benefits through the San Francisco IHSS Public Authority. Therefore, the number of independent providers who enroll to receive health and dental benefits through the City's Health Plan has been increasing.

Mr. Huang reports that the cost of the health care premiums, as determined by the City's Health Plan, will increase in July of 2003 from $146.43 per person per month to $198.80 per person per month, an increase of $52.37 per month or 35.8 percent.

Dental benefits are provided through Delta Dental, a private dental benefits plan. Similarly to health benefits, the number of IHSS workers enrolled to receive dental benefits through Delta Dental has increased from 4,496 to 4,932. According to Mr. Huang, for FY 2002-2003 the DHS estimates a total of $3,135,306 in dental benefits costs, pending final count of all claims. Mr. Huang reports that for FY 2003-2004 the budgeted amount for dental benefits is $3,427,092, an increase of $291,786 or 9.3 percent. Mr. Huang also reports that the FY 2003-2004 projections totaling $17,296,970, including $13,869,878 for health benefit costs and $3,427,092 for dental costs have been included in the DHS budget.

Comment: Because the proposed contract would have commenced on July 1, 2003 and has not yet been approved by the Board of Supervisors, the DHS has already entered into an interim contract with the San Francisco IHSS Public Authority in the amount of $2,882,828 for the two-month period from July 1, 2003 to August 31, 2003 in order to avoid interrupting the administration of health and dental benefits to IHSS workers. The proposed resolution should therefore be amended for retroactivity. Mr. Huang reports that the DHS submitted the proposed contract for consideration by the Board of Supervisors in early June of 2003.

Recommendation:

1. In accordance with Comment No. 1, amend the proposed resolution for retroactivity.

2. Approve the proposed resolution, as amended.

City and County of San Francisco **Department of Human Services**

Trent Rhorer
Executive Director

Deputy Directors
Janice Anderson-Santos
Jim Buick
Sally Kipper

Date: July 2, 2003 Attachment

To: Budget Analyst Office

From: Joseph Huang, Senior Contracts Manager
Department of Human Services

Re: IHSS-Public Authority Resolution

The following table shows the breakdown of costs by fiscal year. The figures for FY 03-04 are based on the table in the Memo to the City Services Committee on June 12, 2003. The figures for FY04-05 and FY 05-06 are based on a proportional increase each year of 8.3%.

	FY 03-04	FY 04-05	FY 05-06	Total
Revenue				
General Fund	7,181,860	7,778,097	8,423,834	23,383,792
State/Fed	10,115,110	10,954,865	11,864,337	32,934,311
Total	17,296,970	18,732,962	20,288,171	56,318,103
Expense				
Health	13,869,878 (Avg of 5,814 workers/month X $198.80 X 12 months)	15,021,353* (Avg of 6,297 workers/month X $198.80 X 12 months)	16,268,424* (Avg of 6,819 workers/month X $198.80 X 12 months)	45,159,655
Dental	3,427,092 (Avg monthly claim costs of $285,591 X 12 months)	3,711,609 (Avg monthly claim costs of $309,300.75 X 12 months)	4,019,747* (Avg monthly claim costs of $334,978.92 X 12 months)	11,158,448
Total	17,296,970	18,732,962	20,288,171	56,318,103

*Discrepancies due to rounding.

(415) 557-5000 **P.O. Box 7988** **San Francisco, California 94120**

Item 2 - File 03-0904

Department: Department of Human Services (DHS)

Item: Resolution authorizing the renewal of an existing contract with the Children's Council of San Francisco, a California corporation, to continue the provision of child care services and capacity building initiatives.

Contract Amount: Not to exceed $104,579,925

Source of Funds: A combination of City General Fund monies (16.8 percent) and State funds (83.2 percent). The sources of funding for the $104,589,925 contract costs are summarized below:

City General Fund monies included in DHS' FY 2003-2004 budget of $5,843,041 and State funds of $29,016,934 for a total of $34,859,9975 for FY 2003-2004. For the three-year period of the proposed $104,579,925 contract, the following has been projected:

General Fund monies	**$17,529,123**
State Funds:	
CalWORKS	$37,065,000
CA Dept. of Education	49,985,802
Total State Funds	**$87,050,802**
Total Contract	**$104,579,925**

Contract Period: Three years, from July 1, 2003 through June 30, 2006

Budget: A budget for the proposed three-year contract of up to $104,579,925 is shown in the Attachment, provided by the DHS.

Description: The proposed resolution would authorize the renewal of an existing contract between the Department of Human Services (DHS) and the Children's Council of San Francisco for the Children's Council of San Francisco to provide oversight of the child care referral and subsidy system program for eligible children and families. The purpose of the contract is to continue the service level and enrollment for CalWORKS child care programs. Under the proposed contract renewal, the Children's Council would continue to arrange childcare subsidy enrollment, monitor eligibility and childcare provider services and issue payments to childcare providers.

Children and families eligible for childcare programs include those who are in CalWORKS Stages I and II, teen mothers and children with foster parents who work. CalWORKS Stage I includes those families who are currently eligible for Temporary Aid for Needy Families (TANF) and CalWORKS. CalWORKS Stage II includes families who have recently stopped receiving TANF and CalWORKS aid payments. CalWORKS Stage II families are eligible for childcare subsidies for up to 24 months after leaving TANF and CalWORKS.

The previous contract, in the amount of $72,922,718, was for the 23-month period from August 1, 2001 through June 30, 2003 at an average monthly cost of $3,170,553. The average monthly cost for the proposed 36-month renewal contract of $104,579,925 is $2,904,998, which is $265,555 or 8.4 percent less than the previous contract.

Under the prior 23-month contract, from August 1, 2001 through June 30, 2003, the Children's Council received approximately $801.66 per child per month for childcare services.[1] Under the proposed contract the Children's Council will receive approximately $795.89 per child per month, which is $5.77 per month less or 0.7 percent. Because the contract is on a reimbursement basis, the contractor will only bill for children actually served. If the contractor does not reach the projected number of children served, which is 3,650, the contract funds will not be fully expended. Mr. Huang of the DHS reports that the total average number of children provided childcare services per month in FY 2002-2003 was 3,100. Under the proposed 36-month contract renewal in the amount of $104,579,925, DHS estimates that the program will serve an average of 3,650 children per month, an increase of 550 children or 17.7 percent being served.

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[1] The amount received per child per month varies based on the age of the child, the level of care provided, the amount of child care received and the rate of the child care providers.

The proposed contract includes total General Fund monies of $17,529,123, including $10,500,000 for the Family and Children's Services Program, which provides child care services to intact families and foster families; $6,909,123 of General Fund monies will be used for the City Child Care Program, which provides child care subsidies to low-income families primarily using family child care services; and $120,000 for the Personal Assisted Employment Services (PAES) program, which provides services for single adults. Under the proposed contract, single parents qualifying for PAES would receive child care subsidies.

A total of $37,065,000 will be contributed by the California Department of Social Services (CDSS) through an allocation of CalWORKS funds. The $37,065,000 includes CalWORKS Stage I funds in the amount of $36,000,000 and an additional $1,065,000 of CalWORKS funds intended for the Trustline, City College classes, family childcare network and other capacity building projects. Trustline is a State registry which checks criminal records and provides criminal clearance for child care providers. Capacity building projects are designed to increase the number and quality of childcare slots, resources and services through providing child care providers with technical assistance, training programs, scholarships and developmentally appropriate toys and supplies.

CalWORKS Stage II funds in the amount of $49,985,802 will be contributed by the California Department of Education.

Comments:

1. According to Mr. Huang, the proposed contract was awarded on a sole source basis to the Children's Council of San Francisco. Mr. Huang reports that the California Department of Education requires CalWORKS Stage II funds to be administered by a State-designated Alternative Payment Provider (APP), and the Children's Council of San Francisco is one of three APPs allowed to administer CalWORKS Stage II funds in San Francisco. Mr. Huang reports that the DHS itself and the Private Nursery School Association are the other two APPs allowed to administer CalWORKS Stage II funds in San

Francisco. However, Mr. Huang reports that the Children's Council is able to provide oversight of the child care referral and subsidy system program for eligible children and families in a more cost effective manner and allows a single contact point for participants than if these services were provided by DHS itself. Mr. Huang reports that the Private Nursery School Association is a multi-county APP and does not have a significant presence in San Francisco. Mr. Huang advises that the DHS has consolidated various subsidy programs within the proposed contract to maximize Federal and State funding and to minimize disruptions in eligibility for families.

2. Mr. Huang states that the proposed three-year contract of $104,579,925 is based on an equal allocation for all three years. In each of the three fiscal years from FY 2003-2004 to FY 2005-2006 the DHS would allocate a total of $34,859,975 for the proposed contract, including General Fund monies and State funds. Mr. Huang further states that the $34,859,975 includes $5,843,041 in General Fund monies allocated for each of the three years of the proposed three-year contract.

3. Because the proposed contract would have commenced on July 1, 2003 and has not yet been approved by the Board of Supervisors, the DHS has already entered into an interim contract with the Children's Council of San Francisco in the amount of $5,809,996 for the two-month period from July 1, 2003 to August 31, 2003 in order to provide continuity in services during the authorization process for the proposed contract renewal. The proposed resolution should therefore be amended for retroactivity. Mr. Huang reports that the DHS submitted the proposed contract for consideration by the Board of Supervisors in early June of 2003.

Recommendations:

1. In accordance with Comment No. 3, amend the proposed resolution for retroactivity.

2. Approve the proposed resolution, as amended.

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Maxwell
Supervisor Ma
President Gonzalez
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

Appendix B - Calculation of Charges

	A	B	C	D	E	F	G	H	I	J
1										Appendix B, Page 1
2									Document Date.	June 16, 2003
3						DEPARTMENT OF HUMAN SERVICES CONTRACT BUDGET SUMMARY BY PROGRAM				
4										
5	Contractor's Name								Contract Term	
6			Children's Council of San Francisco, Inc.						July 1, 2003 through June 30, 2006	
7	(Check One) New ___ Renewal X Modification ___									
8	If modification, Effective Date of Mod.	No. of Mod.								
9	Program Childcare Subsidies	Trustline	Stage 1	Stage 2	City Child Care	Family & Children's Services	P.A.E.S.	G.A.P.P.	Capacity Building Projects	Total
10	Budget Reference Page No.(s)	1-7	1-7	1-7	1-7	1-7	1-7	1-7	1-7	1-7
11	Program Term	7/1/03 to 6/30/04	7/1/03 to 6/30/04	7/1/03 to 6/30/04	7/1/02 to 6/30/04	7/1/03 to 6/30/04	7/1/03 to 6/30/04	7/1/03 to 6/30/04	7/1/03 to 6/30/04	7/1/03 to 6/30/04
12	Annual Expenditures									
13	Salaries & Benefits	$ 16,844	$ 1,449,905	$ 1,746,495	$ 113,733	$ 392,706	$ 3,993	$ 21,393	$ 61,946	$ 3,807,015
14	Operating Expense	$ 11,818	$ 1,018,286	$ 1,205,714	$ 209,192	$ 264,601	$ 1,224	$ 6,770	$ 255,839	$ 2,973,444
15	Childcare Payments	$ -	$ 9,240,000	$ 13,200,000	$ 1,957,586	$ 2,765,000	$ 34,000	$ 129,547		$ 27,326,133
16	# Children Served Annually		16,800	19,800	2,640	4,200	36	324		43,800
17	Capital Expenditure	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
18	Subtotal	$ 28,662	$ 11,708,191	$ 16,152,209	$ 2,280,511	$ 3,422,307	$ 39,217	$ 157,710	$ 317,785	$ 34,106,592
19	Indirect Cost	$ 3,339	$ 291,809	$ 347,791	$ 22,530	$ 77,693	$ 783	$ 4,224	$ 5,214	$ 753,383
20	Indirect Percentage (%) of direct cost (Line 16)	10%	2%	2%	1%	2%	2%	3%	1%	
21	Total Annual Expenditures	$ 32,001	$ 12,000,000	$ 16,500,000	$ 2,303,041	$ 3,500,000	$ 40,000	$ 161,934	$ 322,999	$ 34,859,975
22										
23	Total Contract Expenditures (Annual X 3 years)	$ 96,003	$ 36,000,000	$ 49,500,001	$ 6,909,124	$ 10,499,999	$ 120,000	$ 485,801	$ 968,997	$ 104,579,925
24										
25	Annual DHS Revenues									
26	General Fund					$ 3,098,400	$ 0	$ 0	$ 0	$ 3,098,400
27	CalWORKS - single allocation	$ 32,001	$ 12,000,000				$ 40,000	$ 161,934	$ 322,999	$ 12,556,934
28	Calif. Dept. of Education			$ 16,500,000						$ 16,500,000
29	SF Board of Supvs. Child Care Funds				$ 2,303,041					$ 2,303,041
30	General Fund - M.O.E.					$ 401,600				$ 401,600
31										
32	TOTAL DHS REVENUES	$ 32,001	$ 12,000,000	$ 16,500,000	$ 2,303,041	$ 3,500,000	$ 40,000	$ 161,934	$ 322,999	$ 34,859,975
33	Other Revenues									
34	No other revenues									
35										
36	Total Annual Revenues	$ 32,001	$ 12,000,000	$ 16,500,000	$ 2,303,041	$ 3,500,000	$ 40,000	$ 161,934	$ 322,999	$ 34,859,975
37										
38	Total Contract Revenues (Annual X 3 years)	$ 96,003	$ 36,000,000	$ 49,500,001	$ 6,909,124	$ 10,499,999	$ 120,000	$ 485,801	$ 968,997	$ 104,579,926
39										
40	Full Time Equivalent (FTE)	0.43	30.90	34.20	2.40	8.10	0.10	0.40	0.80	77.33
41										
42	Prepared by: John Uselman								415-276-2900	Date: 05/15/2003
43	DHS-CO Review Signature:									
44										
45										
46	DHS #1									4/7/1992

City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Meeting Agenda

Budget Committee

[All Committees]
Government Document Section
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Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona
Gonzalez

Clerk: Victor Young

Thursday, July 17, 2003 **1:00 PM** **City Hall, Room**

Regular Meeting

Meeting Convened

If a quorum of the Board of Supervisors members is present, Supervisor Daly will hold a Special Board of Supervisors meeting in order to hear the Fiscal Year 2003-04 budgets of the San Francisco City and County Departments.

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

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AGENDA CHANGES

REGULAR AGENDA

1. 030457 **[Redevelopment]**
Supervisor Daly
Hearing to discuss redevelopment efforts in the City and County of San Francisco and evaluate state law provisions regarding redevelopment areas.

3/18/03, RECEIVED AND ASSIGNED to Budget Committee

2. 030637 **[Extending Redevelopment Agency's Times for Incurring and Repaying Debt]**

Ordinance approving, for the redevelopment plans listed below, the elimination of the existing time limits in each plan for establishment of loans, advances and indebtedness: (1) the Western Addition Area A-2 Redevelopment Plan, (2) the Yerba Buena Center Redevelopment Plan, (3) the Rincon Point - South Beach Redevelopment Plan, and (4) the Embarcadero-Lower Market (Golden Gateway) Redevelopment Plan. (Mayor)

5/2/03: Exempt from CEQA Non-physical exemption CEQA Guidelines Section 15060(c)(8) and Section 15378; Fiscal impact.

4/15/03, RECEIVED AND ASSIGNED to Finance and Audits Committee.
5/9/03, SUBSTITUTED. The Mayor submitted a substitute ordinance bearing same title.
5/9/03, ASSIGNED to Finance and Audits Committee.
5/29/03, TRANSFERRED to Budget Committee.

3. 030496 **[Relocation of Laundry Services to Oyster Point]**

Supervisors Peskin, Daly, Dufty

Resolution urging the Department of Administrative Services and other City departments to expeditiously implement the relocation of laundry services for San Francisco General Hospital and Laguna Honda Hospital to the laundry facility at Oyster Point.

3/25/03, REFERRED FOR ADOPTION WITHOUT COMMITTEE REFERENCE AGENDA AT THE NEXT BOARD MEETING.
4/1/03, REFERRED to Budget Committee. Supervisor Hall requested that this matter be referred to Committee.

Supervisor Daly requested to be added as a co-sponsor

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Budget Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

There are no items now pending under the 30 day rule.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are cablecast on SF Cable 26. For video tape copies and scheduling call (415) 557-4293.

Requests for language translation at a meeting must be received no later than noon the Friday before the meeting. Contact Ohn Myint at (415) 554-7704.

AVISO EN ESPAÑOL: La solicitud para un traductor en una reunion debe recibirse antes de mediodia de el viernes anterior a la reunion. Llame a Erasmo Vazquez (415) 554-4909.

翻譯 *必須在會議前最少四十八小時提出要求*
請電 (415) 554-7701

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

All meetings are real-time captioned and are cablecast open-captioned on SF Cable 26.

The following services are available when requested 48 hours before the Committee meeting. This advance notice will help ensure availability.

· For American Sign Language interpreters or use of a reader during a meeting, contact Ohn Myint at (415) 554-7704.

· For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

· Assistive listening devices are available from the receptionist in the Clerk of the Board's Office, Room 244, prior to the meeting.

· The Clerk of the Board's Office TTY number is (415) 554-5227.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102 by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org
Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

[Budget Analyst Report]
Susan Hom
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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

July 10, 2003

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: July 17, 2003 Budget Committee Meeting

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Item 2 – File 03-0637

Department: San Francisco Redevelopment Agency

Item: Ordinance authorizing the Redevelopment Agency to eliminate the existing time limits for the establishment of loans, advances and indebtedness for the following four Redevelopment Agency Redevelopment Plans: (1) the Western Addition A-2 Redevelopment Plan, (2) the Yerba Buena Center Redevelopment Plan, (3) the Rincon – South Beach Redevelopment Plan, and (4) the Embarcadero–Lower Market (Golden Gateway) Redevelopment Plan.

Description: Assembly Bill 1290, adopted by the California Legislature in 1994 and codified in Section 33333.2 of the California Health and Safety Code, imposed time limits on any redevelopment plan adopted prior to 1994 and established time limits for incurring indebtedness at either 20 years after the plan adoption date or January 1, 2004, whichever date is later. Presently, the four above-noted Redevelopment Plans cannot incur indebtedness subsequent to January 1, 2004.

Under Senate Bill 211, adopted by the California Legislature in 2001 and codified in various Sections of the California Health and Safety Code, any Redevelopment Plan adopted prior to January 1, 1994, may be amended by an ordinance approved by the Board of Supervisors to eliminate the time limit for indebtedness.

Specifically, in accordance with Senate Bill 211, the California Health & Safety Code Section 33333.6(e)(2) states:

> "On or after January 1, 2002, a redevelopment plan may be amended by a legislative body by adoption of an ordinance to eliminate the time limit on the establishment of loans, advances, and indebtedness."

In accordance with Section 33333.6(e)(2) of the California Health & Safety Code, the proposed ordinance would eliminate the time limits on indebtedness for (a) the Western Addition A-2 Redevelopment Project Area, which was adopted October 13, 1964; (b) the Yerba Buena Center Redevelopment Project Area which was adopted April 25, 1966; (c) the Rincon Point – South Beach Redevelopment Project Area which was adopted January 5, 1981; and, (d) the Embarcadero–Lower Market (Golden Gateway) Redevelopment Project Area which was adopted May 25, 1959.

Under the proposed ordinance, the Redevelopment Agency would be authorized to incur indebtedness until the plan expiration dates for each of the subject Redevelopment Plans. The expiration dates for the four subject Redevelopment Plans are as follows: (a) the Western Addition A-2 Redevelopment Plan January 1, 2009; (b) the Yerba Buena Center Redevelopment Plan January 1, 2009 (c) the Rincon Point–South Beach Redevelopment Plan January 5, 2021 and, (d) the Embarcadero–Lower Market (Golden Gateway) Redevelopment Plan January 1, 2009. Therefore, approval of the proposed resolution would authorize the Redevelopment Agency to incur indebtedness under each of the subject Redevelopment Plans until the dates listed above have expired.

The Planning Department has determined that the proposed ordinance to eliminate time limits complies with the California Environmental Quality Act (CEQA).

Comments:

1. The Redevelopment Agency's FY 2003-2004 budget was balanced based on Board of Supervisors approval of this proposed ordinance.

The Tax Increment Funding and the Tax Increment Bond Proceeds for four subject Redevelopment Plans, included in the Redevelopment Agency's FY 2003-2004 budget, are as follows:

Redevelopment Plan Areas	Tax Increment Funding[1]	Tax Increment Bond Proceeds	Total
Western Addition, A-2	$7,929,000	$4,861,000	$12,790,000
Yerba Buena Center	14,706,000	13,984,000	28,690,000
Rincon Point-South Beach	2,042,000	2,358,000	4,400,000
Embarcadero-Lower Market (Golden Gateway)	9,917,000	21,471,000	31,388,000
Total	$34,594,000	$42,674,000	$77,268,000

As shown in the table above, a majority of funding for the projects where time limits would be extended to the Redevelopment Plan expiration date is from the sale of tax increment bonds. The FY 2003-2004 Redevelopment Agency budget includes the sale of tax allocation bonds, in the amount not to exceed $61,000,000. The above noted $42,674,000 is approximately 70.0% of total tax allocation bond funds. The FY 2003-2004 Redevelopment Agency budget assumes that the Redevelopment Agency will not issue the tax allocation bonds, in an amount not to exceed $61,000,000 (File No. 03-0985), until late May or early June 2004 and thus would not require tax increment to pay debt service until FY 2004-2005. As stated in the Attachment to this report, by not issuing the tax allocation bonds until late May or early June 2004, the City will save an estimated $5.1 million in debt service expenditures in FY 2003-2004, including a General Fund

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[1] Tax Increment Funding includes tax increment funds used to fund debt service obligation and tax increment pay-as-you-go financing used to fund administrative operations.

savings of approximately $3.4 million. According to Ms. Joanne Sakai of the Redevelopment Agency, if the Board of Supervisors does not approve the proposed ordinance the Redevelopment Agency would (a) request a budget amendment to capture all unused tax increment; (b) request authorization to issue the tax allocation bonds prior to the deadline of January 1, 2004; and (c) request additional tax increment to pay debt service during FY 2003-2004. As shown in the attached memorandum provided by the Redevelopment Agency, if the proposed ordinance is not approved the Redevelopment Agency would request a budget amendment to issue $71 million in tax allocation bonds, which is $10 million more than the $61 million included in the FY 2003-2004 Redevelopment Agency budget. In addition, as stated in the attached memorandum the Redevelopment Agency would seek to issue the "*additional tax allocation bonds before December 31, 2003, with debt service of approximately $5.1 million in FY 2003-2004, followed by debt service of approximately $7.3 million per year through 2018.*"

As stated in the attached memorandum, the Redevelopment Agency would issue bonds in order to adequately fund work associated with each of the redevelopment project areas included in the proposed ordinance.

2. The Redevelopment Agency has six redevelopment areas wherein the time limit to incur indebtedness presently expires on January 1, 2004. However, the Redevelopment Agency is only seeking to extend the time limit for incurring indebtedness for the above-noted four Redevelopment Project Areas. The Redevelopment Agency is not requesting elimination of the existing time limits for incurring indebtedness for two other Project Area namely the India Basin Redevelopment Plan and the Hunters Point Redevelopment Plan.

3. Senate Bill 2113, adopted by the California Legislature in 2000 and codified Section 33333.7 of the California Health and Safety Code, gave the San Francisco Redevelopment Agency, subject to Board of Supervisors approval, the ability to extend the time limits to incur

indebtedness to January 1, 2014 or until the Redevelopment Agency replaces all of the housing units demolished if (a) the City has an approved Housing Element; (b) the pass-through requirements to schools remains unchanged; and (c) all additional tax increment captured by the Redevelopment Agency is used to fund low and moderate income housing. According to Mr. Donnell Choy of the City Attorney's Office, the Board of Supervisors and the Redevelopment Agency have the option of extending the time limits to incur indebtedness under the provisions of either SB 211 or SB 2113. The approval of the proposed ordinance, in accordance with SB 211, enables the Redevelopment Agency to capture tax increment for non-housing purposes.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Maxwell
Supervisor Ma
President Gonzalez
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

San Francisco
Redevelopment Agency

770 Golden Gate Avenue
San Francisco, CA 94102

415.749.2400
TTY 415.749.2500

WILLIE L. BROWN, JR., Mayor

Michelle W. Sexton, President
Ramon E. Romero, Vice President
Mark Dunlop
Leroy King
Kathryn C. Palamountain
Darshan Singh
Benny Y. Yee

Marcia Rosen, Executive Director

MEMORANDUM

101-02303-178
July 10, 2003

TO: Harvey Rose, Budget Analyst

FROM: Marcia Rosen, Executive Director
San Francisco Redevelopment Agency

cc: Redevelopment Agency Commission

Re: Request for Further Information on Ordinance No. 030637

EXECUTIVE SUMMARY

Senate Bill 211 ("SB 211") permits the Board of Supervisors to eliminate the deadline for the establishment or incurrence of debt for redevelopment plans adopted prior to 1994 by ordinance (an "SB 211 Ordinance") to allow the Redevelopment Agency to incur debt until these redevelopment plans expire. The redevelopment plans for seven of the Agency's pre-1994 redevelopment project areas[1] state that the Agency's ability to incur indebtedness expires on January 1, 2004, even though the plans do not expire for several years. The Agency is requesting that the Board adopt an SB 211 Ordinance suspending the debt deadlines in the Golden Gateway, Western Addition A-2, Yerba Buena Center (all with 2009 plan expiration dates) and Rincon Point-South Beach (2021 plan expiration date) so that the Agency can complete the implementation of its redevelopment projects over the next several years.

The impact on the City's FY 2003-2004 budget is positive, as it allows the Agency to defer issuing bonds and incurring approximately $5.1 million in associated debt service costs in the next fiscal year in order to have the fiscal resources for those project areas by December 31, 2003. In a memorandum dated June 25, 2003, the Agency identified specific programs that would be affected negatively if the SB 211 Ordinance is not passed.

The deadline to repay debt issued under any of these plans would continue to be ten years after the plan expiration date, with or without the adoption of the SB 211 Ordinance. Even after an SB 211 Ordinance has been adopted, a project area is still subject to the tax

---

[1] These project areas are the Bayview Industrial Triangle, Embarcadero-Lower Market (Golden Gateway), Hunters Point, India Basin Industrial Park, Rincon Point-South Beach, Western Addition A-2 and Yerba Buena Center. No debt is authorized under the plan for the Bayview Industrial Triangle, and the Hunters Point and India Basin project areas effectively have reached their tax increment limits. Therefore, the proposed SB 211 Ordinance does not include these three project areas.

increment revenue limit and debt limit stated in each redevelopment plan, unless it is amended under other statutory authority.

The adoption of the SB 211 Ordinance does not preclude further amendment of plans pursuant to SB 2113 to target tax increment revenues for affordable housing. The amendment of plans under SB 2113 require the Agency to follow the more lengthy plan amendment process and certification by the state Department of Housing and Community Development of the number of housing units that need to be replaced. The Agency recently received the required certification and plans to present SB 2113 plan amendments to the Board in the next year.

Budget Impacts

The removal of the debt incurrence deadline would allow the Agency to meet its commitments to ongoing programs, initiatives and contracts. The Agency's proposed FY 2003-2004 budget assumes the removal of the January 1, 2004 debt incurrence deadline, pursuant to the proposed SB 211 Ordinance, to meet its affordable housing obligations and to complete its neighborhood revitalization and economic development programs.

In San Francisco, the Agency works closely with the Mayor's Budget Office to establish the timing and amount of tax increment financing that the Agency will need. Specifically, as noted above, the Agency agreed to defer the issuance of tax allocation bonds until the end of the 2003-2004 fiscal year in order to defer the incurrence of debt service before the bond proceeds are required, based on the assumption that the SB 211 Ordinance would be approved by the Board of Supervisors, and that the Agency would spread its bond issuances for the four project areas over the remaining life of their respective redevelopment plans. This cooperation provides the Agency with tax increment required to fund its mission, minimizes unnecessary payment of debt service on tax increment funding and ensures that the City retains a substantial portion of tax increment for the General Fund.

If, on the other hand, the Agency does not have the flexibility that would be afforded by the SB 211 Ordinance to manage its debt prudently, the Agency would be forced to consider issuing bonds against the tax increment available under the four affected redevelopment plans before January 1, 2004, in order to ensure the completion of the affected redevelopment projects. If the Agency were forced to issue these bonds prematurely, the City would be required to set aside tax increment in the amount necessary to service the debt on the bonds prematurely and for a longer period than optimal for both the Agency's and the City's fiscal planning.

Based on current market conditions, the debt repayment deadlines established in the redevelopment plans and tax increment projections, the Agency could issue approximately $71 million in additional tax allocation bonds before December 31, 2003, with debt service of approximately $5.1 million in FY 2003-2004, followed by debt service of approximately $7.3 million per year through 2018. The Agency seeks to avoid that result by the passage of SB 211 Ordinance.

Conclusion

The proposed SB 211 Ordinance for the Golden Gateway, Rincon Point-South Beach, Western Addition A-2 and Yerba Buena Center project areas is part of the Agency's long-term approach to make the most efficient use of tax increment that has been allocated to its project areas under redevelopment plans approved by the Board of Supervisors to fulfill the Agency's mission to create physical, social, economic and environmental conditions to remove and prevent the recurrence of blight; create jobs and affordable housing; and attract private investment to achieve these goals. The Agency's budget assumes passage of the SB 211 Ordinance in conjunction with its budget in order to defer the necessity of issuing bonds against its remaining bonding capacity in these four project areas and burdening future tax increment streams with unnecessary debt service.

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Budget Committee scheduled for Thursday, July 24, 2003 at 1:00 p.m., at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

BOARD of SUPERVISORS

Dr. C

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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Budget Committee scheduled for Thursday, July 31, 2003 at 1:00 p.m., at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

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City and County of San Francisc

Meeting Agenda

Budget Committee

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Members: Chris Daly, Aaron Peskin, Sophie Maxwell, Fiona M
Gonzalez

Clerk: Victor Young

Thursday, August 07, 2003 **1:00 PM** **City Hall, Room 263**

Special Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:

1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence

These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

AGENDA CHANGES

REGULAR AGENDA

1. **022011** **[State of California Budget Cuts]**

Supervisors Peskin, Daly

Hearing to receive a briefing from the Mayor's Budget Director on recent information on State of California budget cuts and their impact on City and County of San Francisco's budget.

12/9/02, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests this item be scheduled for consideration at the December 18, 2002 meeting

12/18/02, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office; Marcia Rosen, Executive Director, Redevelopment Agency

2/5/03, TRANSFERRED to Finance and Audits Committee. New committee structure 2/17/03.

2/27/03, TRANSFERRED to Budget Committee.

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2. **030302** **[Budget Updates]**

Supervisors Daly, Peskin

Hearing to consider budget updates from the Mayor, Controller, Budget Analyst, Legislative Analyst, and City Departments.

2/25/03, RECEIVED AND ASSIGNED to Budget Committee.

3/6/03, CONTINUED. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office.

Continued to March 27, 2003.

3/27/03, CONTINUED. Heard in Committee. Speakers: Whit J. Manns, Tenderloin Self-Help Center and Central City Hospitality House; Linda Adams, Tenderloin Self-Help Center; Roger Jones, Tenderloin Self-Center; Francis Terry, Central City Hospitality House; Charles A. Maxwell, Central City Hospitality House; Michael Moore, Central City Hospitality House and Tenderloin Self-Help Center; Dartagnan Hutcherson, Tenderloin Self-Help Center; Yolanda Warren, Tenderloin Self-Help Center; Michael Robinson, Tenderloin Self-Help Center; Charles Carrill, Central City Hospitality House and Tenderloin Self-Help Center; Luther Rickert, Director of Employment Services, Central City Hospitality House (located in Tenderloin Self-Help Center); John Bardis; Edward Evans, Community Resources Action Project; Richard Robinson, Community Awareness Treatment Center; Edward Harrington, Controller; Ben Rosenfield, Mayor's Budget Office.
Continued to 4/3/03 meeting.

4/3/03, CONTINUED. Heard in Committee. Speakers: Jackie Jays; male speaker; male speaker; Howard Simms; Ben Rosenfield, Mayor's Budget Office; Ed Harrington, Controller; Ted Lakey, Deputy City Attorney.

Continued to April 10, 2003.

4/10/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Steve Kawa, Mayor's Office.

4/17/03, REFERRED TO DEPARTMENT. Agendas reffered to affected departments. (Directions to departments to be delivered by Supervisors Daly's Office.)

4/21/03, CONTINUED TO CALL OF THE CHAIR. Heard in the Budget Committee. Speakers: Julian Low, Mayor's Office; Ed Harrington, Controller; Pamela Fischer; Spike Kahn, Local 21; David Pilpel; Gail Wechsler; Yvette Simpson; Kimia Mizany; Helen Lucas, Airport; Kevin Cone, Airport; Lima Avery, Business and Economic Development Department Frank Chiu, Director, Building Inspection; Ed Lee, Public Works; Tina Olson, Public Works.

At the hour of 5:16 p.m. a quorum of the Board of Supervisor was noted present. The meeting is now considered to be a SPECIAL BOARD MEETING.

Heard in Special Board Committee. Speakers: Gigi Harrington, Municipal Transportation Agency; Julia Dawson, Parking and Traffic; Ted Lakey, Deputy City Attorney; Joe Speaks; Municipal Transportation Agency; Joe Robinson, Director of Administrative Services, Port; Bill Berry; Public Utilities Commission; Denise Brady, Dept. of Telecommunications and Information Services; Naomi Little, Executive Director, Taxi Commission; Shawn Collins; Pinkey Kushner; Robert Chieflou; Ms. Dawson, Randall Museum.

4/24/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ed Harrington, Controller; Erin McGrath, Mayor's Office; Greg Sass, Chief Finance Officer, Public Health; Ms. Hinke; Marlene Tran, Lindsay Berger, Youth Commission; Dr. Martin Louie; Hywel Sims; Andrew Bozeman; Kara Graziano; male speaker; James Beck; male speaker; Melanie Myers; Ms. Kepenoli, Local 250; Vandi Kim; Lessie Hopkins; Richard Goldman; Dr. Harry Densen; female speaker; Troy Newman; Wattie Sanders; Jaye Richardson; female speaker; Ena Aguirre; Jim Dilley; James Gregg; Gloria Frush-Frederico; Alex Georgokopolis; Esther Chavez; Mara Wallace; Alfredta Nesbitt; Barbara Farrell; Alvin Jones; Ann Togia; Karen Patterson Matthew; Sheri Fostin; Paul Kunsberg; Nat Jordan; Michael Lyon; Piers Mackenzie; Oscaryne Williams; Sam Dodge; Dee Epps Miller; Rebecca Dorman; James Kaner; Mr. Murphy; Anthony Imperial; Jospeh Pace; Walter Johnson; Frank William, Senior Ex-Offenders Program; Ms. Eversiti; Beth Mcgee; Jennifer Baity Carlin; Daniel Turbin; Larry Bevan; Linda Zaretsi; Dr. Mitchell Katz, Director, Public Health.

5/1/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Supervisor Jake McGoldrick; Ed Harrington, Controller; Ms. Simmons, Mayor's Office; Derrick Lam, Ageing and Adult Services; Jennifer Stanley, Senior Legislative Analyst; male speaker; Gabrielle Selder; Ken Teisen; Merrill Buice; Luis Calderon; Marie Jobling; Philip Carleta; Michael Denny; Richard Robinson; Bill Hollabaugh; Les Will; female speaker; Vera Haile; Ron Miguel; Margaret Baran; Susanne Tucker; Sofia Sepecoa; Justin Fichelson, Youth Commission; Roy Recio; Erika Horn; female speaker; Phil Arnold, Human Services.

5/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: male speakers; Francis Kent; Sister Bernie Calvin; Martha Olson; Katie Danielson; Cecelia Valentine; Norman Terra; Danita Lanson; Dr. Joanne Keenie; James Matter; James Beck; Ms. Goodrow; Emily Wilscott; Michelle Castro; Gene Bishop; Ted Trehan; Carol Cansano; Jennifer O'San; Terra Sanker; Mr. Vocher; male speaker; Dave Richmond; Dr. Verna Chapman; Helena Giles; Maryl Bytes; Elizabeth Ware; Jackilyn Freeman; John Bardis; Ms. McNeil; Espinola Jackson; Ed Harrington, Controller; Steve Kawa, Mayor's Office.

5/8/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Monique Zmuda, Controller's Office; Katie Petrucione, Mayor's Office; Elizabeth Goldstein, Executive Director, Recreation and Parks; Katie Cluster; Mary Mcallister,; Jim Krotzer; Victoria Lansdown;Harriet Ziskin; female speaker (translated from Russian); Denise Couther; Randy Wilkinson; Philip Carleton; Margaret Brodkin; Nancy Wuerfel; Sashe Mosalov; Linda Hunter; Susan Bogan; Peter Warfield; Laurel Burkhalter; Ms. Cameran; Christopher Dudenstaut; Nels Erikson; Brian Green; Snia Ng; Dr. Janice Cohen; Kathleen White; Debbie Montarano; Ron Dudum; Ms. Whitten; Eddy Wedertz; Lorry Cole; CJ Mourning; David Van Dormeden; Tracy Massingale; Bettery Traynor; female speaker; Megan Bierman; Mr. Mckinna, Recreation and Park

5/12/03, CONTINUED. Heard in Committee. Speakers: Kieu-anh King, Mayor's Office; Brenda Lopez; Martha McNeil; Peg Hickcox; female speaker; Connie Hagen; Dan Armis; David Rile; Monic Louper; Al Rosen; Risio Vela; Ruth VurosKAren Kircher; Tracy Garrison; Judith Baker; Ryne Green; Sandra Fewer; Dave Richmond; James Beck; female speaker; Jeff Mori; Dan Mallallair; male speaker; Ben Island; Helena Giles; Chester Palisol; donna Kahill; female speaker; female speaker; female speaker; maile speaker; Libby Alber; Dr. Verna Chapman; Tracy Regal; Ray Balberan; Kyle Fura; Ms. Park; Natale Bruth; Jill Fox; NTanya Lee; Mary Arnts; Barbara Caravello; Dr. Carla Perez; Juno Duenas; Myrna Lina; Judith Flynn; Nicole Hurst; Debra Stein; Barbara Farrell; Andrea Spagat; Mitch Myers; Eugene Downer; Richard Dion; Andrew Style; Rosie Kennedy; Pamela Do; male speaker; Irene Chan; female speaker; Olga Banks; Vikky McArthur; female speaker; Karilyn Dansen; Andrew Johnson, female speaker; David; Helen Lee; femal speaker; Ms. Valentino; Marilyn Bias.

5/16/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spke Kahn, Local 21; Ted Lakey, Deputy City Attorney; Monique Zmuda, Deputy City Controller; Elene Boken; Dave Warner; Nancy Wuerful; Jane Salonow; Richard Zimmerman; David Chan; Richard Montgomery; Mr. Takenhemer; Pat Walker; Ms. Hopps; Lloyd Carlson; Melissa Marris; Evette Simpson; Ronald Solin; Rick Barry; Joan Puppet; Lin Rogers; male speaker; female speaker; female speaker; John Risso; Robert Emery; Steve Doy; Mirineth Straner; Arron Isreal; Bill Wong; Douglas Perrier; Mark Stout; Arnold Thompson; Ossie Asure; Eric Manthis; Andy Gross; Eric Sadic; Eda Sido; John Marks; Jim Chapal, Spur; Lee Mates; Jim Wonderman; Nathan Nayman; Jack Damon; Dan Kuanto; Piedres; Michael Gorenstein; Steve Roseburn; Vic Ay; Silvia Johnson; Tara Houseman; Pescal Surman; Lou Given; Rua Graffis; Jennifer Jackson; male speaker: Brian West; David Lewis; Wendy Stiff; Curt Recunin.

5/28/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Dave Hookcots; Bill Kelly; Adam Browning; Sharlin Darling; May Bierman; John Bardis; Ben Rosenfield, Mayor's Office; Ed Harrington, Controller; Monique Zmuda, Deputy City Controller.

6/5/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Spike Cahen, Local 21; John Bardis; male speaker, Local 21; Mr. Moralez.

6/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Bertha King; female speaker; Jim Corrigan; male speaker; Nina Suso; Judith Baker; Megan Parsha; Natilie Brow; Debra Lea; Audre Lee; Sydina Baldwin; David Drabell; Alician Green; Art Evans; Edgar Dennis; Alexander Arilio; Shawn Collins; Chris Buhan; Jenifer Grant; Dwain Newton; Mindy Tomage; Marie Jobling; Donna Kalang; Jen Mathews; John Darwin; Luis Caldrin; Vic Vigan; Peter Warfield; Debra Doyle; Fred Sanchez; Rosa Petigan; Margaret Bearing; Cynthia Alexis; Sally Large; Ms. Disagara; Jim Perzakula; Michael Fredon; Dan James; John Bodine; Alfred Jones; Cathy Austin; Melisa; Mr. Chavez; Dennis Carol; Arlene Ackerman, Superintendent, SFUSD; Ed Harrington, Controller.

6/11/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: female speaker; Dorothy Hurcan; Vicki Legin; Ken Legalson; Luis Antonio; Vicki Legin; Marie Jobling; female speaker; Marie Louise; Gloria Thorton; John King; Ntanya Lee; Joseph Russell; Rob Walton; Alana Galante; Hariet Suscan; Steve Magojin; Vera Hale; male speaker; Aberto Sedena; Mr. Resio; Jackie Jens; Donna Semp; Joe Burkowitz; Jack Macklin; Mr. Leon; Louis Scott; Joe Wilson, Coleman Advocates; Johnny Greens; Jean Sikian; Benson Adel; Dr. Nancy Choi; Edna Dalen; female speaker; female speaker; Helen Hapinsang; Darell Gregs; Brian Heng; Carlos Peter; Ms. Richards; Mr. James, Youth Commission; female speaker, Youth Commission; Lee Cambell, Youth Commission; Mr. Corag, Local 250; Mariel Dehena; Valeria Ekins; Carolin Vance; Mark Brian; Peter Bacon; Mary Tunie; James Pie; Mike Delincio, Commission of Aging; Elizabeth Siggins; Walter Parks; Barbara Berry; Bob Chief; Judy Burkowitz; Dr. Bokowit; Ms. Johnson; male speaker; Ann Aherne; male speaker.

6/12/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Sandy Huran; female speaker; Danny Gilory; Claire Watsky; Kathleen Cabrau; Pam Kaufman; Philip Carlson; Christina Neuvas; Sheri Williams; Bruce Fisher; Glenn Gary; Harper Hill; male speaker; Tosha; Angeline Lorret; Mr. Toseredy; Norman Rolfe; Arial Merachy; Wolfe Kahn; Angela Eng; Rebeca Wang; John Elton; Gladys Newtie; Ted Nolson; Max Lansing; Jason Long; female speaker; Philp Powell; Peter Laterborn; Jesse Patel; Mr. Seon; Randy Shaw; Rais Diaz; Lucita; Boe He; Elaine Molinary; male speaker; Joane Levy; Ester Bancher; Daniel Halborn; male speaker; Ma Ma Hoe; Ntanya Lee; Jenifer Stanley, Legislative Analyst's Office.

3. 031315 [MOU - Fire Fighters Union, Local 798 IAFF, AFL-CIO, Unit 1]

Mayor

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the San Francisco Fire Fighters Union, Local 798 IAFF, AFL-CIO, Unit 1, to be effective July 1, 2003 through June 30, 2005.

7/29/03, RECEIVED AND ASSIGNED to Budget Committee

4. 031316 [MOU - Fire Fighters Union, Local 798 IAFF, AFL-CIO, Unit 2]

Mayor

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the San Francisco Fire Fighters Union, Local 798 IAFF, AFL-CIO, Unit 2, to be effective July 1, 2003 through June 30, 2005.

7/29/03, RECEIVED AND ASSIGNED to Budget Committee

5. 031317 **[MOU - Police Officers' Association (SFPOA)]**

Mayor

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the San Francisco Police Officers' Association (SFPOA), to be effective July 30, 2003 through June 30, 2007.

7/29/03, RECEIVED AND ASSIGNED to Budget Committee.

ADJOURNMENT

IMPORTANT INFORMATION

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LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

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There are no items now pending under the 30 day rule.

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BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meetings of the Budget Committee scheduled for Thursday, August 7, 2003, at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meetings of the Budget Committee scheduled for Thursday, August 14, 2003, at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meetings of the Budget Committee scheduled for Thursday, August 21, 2003, at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

BOARD of SUPERVISORS

City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Budget Committee scheduled for Thursday, September 25, 2003, at 1:00 p.m. at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

City and County of San Francisco

Meeting Agenda

Budget Committee

Members: Chris Daly, Sophie Maxwell, and Aaron Peskin

Clerk: Victor Young

Thursday, October 02, 2003 **1:00 PM** **City Hall, Room 263**

Regular Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

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AGENDA CHANGES

REGULAR AGENDA

1. 030983 **[2004 Finance Corporation Equipment Program]**

Mayor

Resolution approving the form of and authorizing execution and delivery by the City and County of San Francisco of an equipment lease Supplement No. 11 (Series 2004A Bonds) between the City and the County of San Francisco Finance Corporation, as lessor, and the City and County of San Francisco, as lessee, with respect to the equipment to be used for city purposes, a related certificate of approval and a continuing disclosure certificate; approving the issuance of lease revenue bonds by said nonprofit corporation in an amount not to exceed $9,945,000; providing for reimbursement to the City and County of San Francisco of certain city expenditures incurred prior to the issuance of lease revenue bonds; and providing for the execution of documents in connection therewith. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

2. 022011 **[State of California Budget Cuts]**

Supervisors Peskin, Daly

Hearing to receive a briefing from the Mayor's Budget Director on recent information on State of California budget cuts and their impact on City and County of San Francisco's budget.

12/9/02, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests this item be scheduled for consideration at the December 18, 2002 meeting.

12/18/02, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office; Marcia Rosen, Executive Director, Redevelopment Agency

2/5/03, TRANSFERRED to Finance and Audits Committee. New committee structure 2/17/03.

2/27/03, TRANSFERRED to Budget Committee.

3. 031327 **[Competitive Procurement for SLUG Contracts]**

Supervisor Daly

Hearing to consider the process for reassigning contracts formerly entered into with the San Francisco League of Urban Gardeners. Specifically, to ensure that competitive solicitation, not sole source, is used for reassignment of these contracts.

7/29/03, RECEIVED AND ASSIGNED to Budget Committee.

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CITY AND COUNTY OF S

BOARD OF SUPERVISO

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

[Budget Analyst Report]
Susan Hom
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September 25, 2003

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: October 2, 2003 Budget Committee Meeting

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Item 1 - File 03-0983

Department: Mayor's Office of Public Finance

Item: Resolution (a) approving the form of and authorizing execution and delivery by the City and County of San Francisco of (i) an equipment lease Supplement No. 11 (Series 2004A Bonds) between the City and County of San Francisco Finance Corporation, a nonprofit corporation, as lessor, and the City and County of San Francisco, as lessee, with respect to the equipment to be used for City purposes, and (ii) a related Certificate of Approval and a Continuing Disclosure Certificate; (b) approving the issuance of Lease Revenue Bonds by said nonprofit corporation in an amount not to exceed $10,395,000; (c) providing for reimbursement to the City and County of San Francisco of certain City expenditures incurred prior to the issuance of Lease Revenue Bonds; and (d) providing for the execution of documents in connection therewith.

Amount: Not to exceed $9,945,000 (see Comment No. 5)

Source of Funds: Lease Revenue Bond Proceeds

Description: In June of 1990, San Francisco voters approved Proposition C, a Charter Amendment which authorized the Board of Supervisors to approve, without further voter approval, lease-financing of equipment purchases for the City through a nonprofit public benefit corporation, the San Francisco Finance Corporation. The equipment leased by the City is purchased by the San Francisco Finance Corporation from the proceeds of Lease Revenue Bonds.

According to Ms. Nadia Sesay of the Mayor's Office of Public Finance, the City has issued Lease Revenue Bonds for the procurement of equipment on an annual basis since FY 1990-1991, with the exception of FY 1996-1997 and FY 2000-2001. The Mayor's Office is now requesting authorization to issue up to $10,395,000 in City and County of San Francisco Corporation Lease Revenue Bonds, Series 2004A, for the acquisition and installation of equipment previously approved by the Board of Supervisors in the FY 2003-2004 budget in the amount of $8,235,669. The equipment detail by City department is shown in Attachment I. Attachment I, provided by Ms. Sesay, includes a list of the equipment to be acquired, including (a) the applicable City departments, (b) the number of units, and (c) the equipment costs, as previously approved by the Board of Supervisors in the FY 2003-2004 budget. The FY 2003-2004 budget, as finally adopted by the Board of Supervisors also included a total of $21,747,900 in General Fund cash equipment purchases.

Ms. Sesay reports that although the proposed resolution is requesting authorization to issue up to $10,395,000 in City and County of San Francisco Corporation Lease Revenue Bonds, Series 2004A, the Mayor's Office of Public Finance expects to issue only $10,095,000. Ms. Sesay further reports that the additional $300,000 authorization requested is a contingency amount in the event of an increase in interest rates. Ms. Sesay states that the $10,095,000 in proposed bonds includes: (a) $8,235,669 for the acquisition and installation of equipment (b) $1,009,500 for the Debt Service Reserve Fund, (c) $507,442 for the Capitalized Interest Account, (d) $255,000 for the Costs of Issuance Fund, (e) $87,049 for the Underwriters' Discount and (f) $340 for rounding[1].

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[1] According to Ms. Sesay, bonds may only be issued in $5,000 increments and upon the issuance of the proposed bonds the $340 would initially be placed in the Costs of Issuance Fund, and would then be used to pay down the principal amount of the bonds.

According to Ms. Sesay, using the Series 2004A Lease Revenue Bonds would spread out the cost of the equipment over the life of the bonds, or five years, instead of purchasing the equipment outright in FY 2003-2004, results in not having to appropriate $8,108,809 of General Fund monies in the FY 2003-2004 budget. This $8,108,809 represents the $8,235,669 in equipment acquisition and installation costs, as shown in Attachment I, which would instead be purchased with Lease Revenue Bond proceeds, less $126,860 in the initial annual lease payments for the proposed Series 2004A Lease Revenue Bonds to be issued in FY 2003-2004.

Ms. Sesay advises that interest rates on Lease Revenue Bonds issued by nonprofit corporations are generally lower than the interest on other financing instruments because of the tax-exempt status of investments in non-profit corporations. Charter Section 9.108 requires that the San Francisco Finance Corporation not issue Lease Revenue Bonds for equipment purchase unless the Controller certifies that the interest costs to the City would be lower through the San Francisco Finance Corporation than through the other financing instruments, such as third party vendors. Under the proposed resolution, in accordance with Charter Section 9.108, the Controller is required to certify that the interest rates are lower through the San Francisco Finance Corporation prior to the sale of the proposed Series 2004A Lease Revenue Bonds. According to Ms. Pamela Levin of the Controller's Office, the Controller has certified that the interest rates to the City would be lower through the San Francisco Financing Corporation than through other financing instruments (see Comment No. 4).

In accordance with Charter Section 9.108, the total outstanding indebtedness of the San Francisco Finance Corporation may not exceed a principal amount of $20,000,000 at any given time beginning in FY 1990-1991, with the limit increasing by five percent in each subsequent fiscal year. The maximum amount of allowable indebtedness in FY 2003-2004 for the lease financing of equipment is $37,712,983, according to Ms. Sesay.

The Board of Supervisors has previously authorized the issuance by the San Francisco Finance Corporation of up to $104,119,707 in Lease Revenue Bonds to finance the purchase of equipment, as follows:

Fiscal Year	Authorized Lease Revenue Bonds
1990-1991	$7,304,707
1991-1992	Up to 10,000,000
1992-1993	Up to 10,200,000
1993-1994	Up to 7,000,000
1994-1995	Up to 6,500,000
1995-1996	Up to 7,065,000
1996-1997	0
1997-1998	Up to 14,000,000
1998-1999	Up to 11,500,000
1999-2000	Up to 9,800,000
2000-2001	0
2001-2002	Up to 9,000,000
2002-2003	Up to 11,750,000
Total	**Up to $104,119,707**

As noted above, the San Francisco Finance Corporation has been authorized to issue up to $104,119,707 since FY 1990-1991 in Lease Revenue Bonds to procure equipment on behalf of the City. According to Ms. Sesay, a total of $94,505,000 in Lease Revenue Bonds has actually been issued. The actual amount of Lease Revenue Bonds issued by the San Francisco Finance Corporation, the amounts which have been repaid, and the outstanding indebtedness as of July 1, 2003, are shown in Attachment II, provided by the Mayor's Office of Public Finance.

As shown in Attachment II, as of July, 1, 2003, the projected amount of outstanding indebtedness is $23,965,000, resulting in an available balance of $13,747,983 in debt capacity for equipment lease financing in FY 2003-2004 (The maximum allowable indebtedness of $37,712,983 less $23,965,000).

The proposed resolution would authorize the issuance of new Series 2004A Lease Revenue Bonds in FY 2003-2004 in an amount not to exceed $10,395,000, which is within the unused debt capacity for equipment lease financing under Charter Section 9.108 of $13,747,983 for FY 2003-2004, as noted in Attachment II. Ms. Sesay estimates that the Series 2004A Lease Revenue Bonds will be sold on a competitive basis on or about December 2, 2003, subsequent to Board of Supervisors approval of this proposed resolution and approval from the San Francisco Finance Corporation.

Ms. Sesay reports that, subsequent to authorization of the proposed resolution, the San Francisco Finance Corporation will sell bonds to prospective investors and will purchase the equipment on behalf of the City using the proceeds from the Lease Revenue Bond funds. City departments will then use their budgeted FY 2003-2004 equipment lease funds to make the required annual lease payments to the San Francisco Finance Corporation, which in turn will use such funds to repay the principal and interest on the Lease Revenue Bonds.

According to Ms. Sesay, the bond trustee for the San Francisco Finance Corporation will act as a bank for equipment purchases. Ms. Sesay explains that the applicable City departments have budgeted the necessary annual lease payments within their FY 2003-2004 department budgets, as previously approved of the Board of Supervisors. Ms. Sesay reports that the total amount of the annual lease payments for the proposed Series 2004A Lease Revenue Bonds in FY 2003-2004 is approximately $126,860. A total of $11,677,552, including principal of $10,095,000 and interest of $1,582,552, will be repaid over the five-year term of the lease revenue financing for the equipment listed by each applicable City department detailed in Attachment I. According to Ms. Sesay, the anticipated annual interest rate for the Series 2004A Lease Revenue Bonds is 4.0 percent. The $10,095,000 in Lease Revenue Bonds will be fully redeemed by April 1, 2010, according to Ms. Sesay.

The proposed resolution also provides for (a) the payment of bond issuance costs related to the proposed issuance of Series 2004A Lease Revenue Bonds which are incurred prior to the actual date of issuance and (b) the execution of documents needed to implement the proposed resolution.

The annual budgets of City departments must include the amount of the City's annual lease-purchase payments (including principal and interest) for equipment procured through the San Francisco Finance Corporation. Since these payments are required under the terms of the lease-purchase agreement with the San Francisco Finance Corporation, the annual payments become fixed costs of City departments for the term of the Lease Revenue Bond repayment period, once the equipment has been procured and acquired by the San Francisco Finance Corporation. As noted above, City departments will make lease payments to the San Francisco Financing Corporation, which in turn will use such funds to repay the bond funds.

Comments:

1. According to Ms. Sesay, the actual interest rate to the City on the proposed Lease Revenue Bonds cannot be determined precisely, because the interest rate will depend on prevailing financial market interest rates when the Series 2004A Lease Revenue Bonds are actually sold. Ms. Sesay advises that interest costs will also vary for each equipment item purchased based on the number of years in the repayment period for the item, which cannot exceed the useful life of the equipment or the five-year term of the proposed Lease Revenue Bonds.

2. As previously noted, Ms. Sesay estimates that, if the proposed Series 2004A Lease Revenue Bonds are sold in a principal amount of approximately $10,095,000 at an estimated annual interest rate of 4.0 percent, and if they are based on the expected repayment period of five years, the City's total principal and interest cost would be approximately $11,677,552 over the five-year life of the Series 2004A Lease Revenue Bonds. However, Ms. Sesay states that the interest rate is currently 2.5 percent and if the proposed bonds were issued today, the principal amount would be $9,865,000 and the interest rate costs would be $928,777, for a total cost of $10,793,777 over five years.

3. The proposed resolution provides for a Continuing Disclosure Certificate. According to Ms. Sesay, Federal law requires all cities and counties that issue tax-exempt debt, to file an Annual Report with a national repository for the benefit of the investors. The Annual Report would contain the following: (a) the audited financial statements of the City; (b) the status of the project; (c) a summary of budgeted General Fund revenues and appropriations, (d) a summary of assessed valuation of taxable property, and (e) a summary of outstanding and authorized but unissued tax supported debt.

4. Under Charter Section 9.108, the Controller is required to certify, prior to the sale of the proposed Series 2004A Lease Revenue Bonds, that the interest rates on the proposed Lease Revenue Bonds are lower to the City through the San Francisco Finance Corporation than through other financing instruments. Ms. Levin advises that the Controller reviewed the estimated interest rates for comparable equipment lease-financing that would be charged by various companies, including SBC Capital Services, Providence Capital and Key Municipal Finance. As shown in Attachment III, provided by Ms. Levin, the Controller has certified, in accordance with Charter Section 9.108, that the estimated annual interest rate for the Lease Revenue Bonds issued by the San Francisco Finance Corporation of 2.5 percent if the bonds were sold at this time, based on a repayment of five years, is less than the interest rates ranging between 3.45 percent and 3.67 percent that the surveyed companies would charge.

5. According to Ms. Sesay, the proposed resolution states that the amount of lease revenue bonds to be issued would not exceed $9,945,000. However, Ms. Sesay notes that additional equipment items in the amount of $271,000 were added to the list of equipment that would be lease-financed through the subject Lease Revenue Bonds during the FY 2003-2004 budget review process in order to realize additional General Fund savings in the FY 2003-2004 budget. According to Ms. Sesay, the addition of $271,000 in equipment purchase results in an increase of $450,000 to the amount of Lease Revenue Bonds to be issued and the new correct amount of the

Lease Revenue Bonds to be issued is a not to exceed amount of $10,395,000, which includes $300,000 as a contingency amount in the event of an increase in interest rates. The proposed resolution should therefore be amended to state not to exceed $10,395,000 instead of not to exceed $9,945,000.

Recommendations: 1. In accordance with Comment No. 5, amend the proposed resolution by deleting the not to exceed amount of the subject Lease Revenue Bonds of $9,945,000 and inserting not to exceed $10,395,000.

2. Approve the proposed resolution, as amended.

Harvey M. Rose

cc: Supervisor Daly
Supervisor Peskin
Supervisor Maxwell
Supervisor Ma
President Gonzalez
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

City and County of San Francisco Finance Corporation
Lease Revenue Bonds, Series 2004A
Equipment Purchase

Dept.	Equipment	Units	Unit Cost	Total Cost	Dept. Sub. Total
ADM	Vehicle Replacement	15	25,000	375,000	375,000
ADP	Sedan full size Lev-transporter	1	35,000	35,000	35,000
Animal Ctrl	Fully equipped Animal Control Van	1	38,000	38,000	38,000
CME	Gas Chromatograph	1	35,000	35,000	
	Head Space Gas Chromatograph	1	50,000	50,000	
	Mass Spectrometer/Gas Chromatograph	1	80,000	80,000	
	Centrifuges	2	12,000	24,000	189,000
DPH	Ortho Clinic Replacement	1	375,900	375,900	
	Sterrad Sterilizer	1	115,553	115,553	
	Anesthesia Machine	2	49,840	99,680	
	Defibrillator	4	8,600	34,400	
	Bladder Scanner	3	14,648	43,944	
	Electroencephalograph Machine (EEG)	1	28,345	28,345	
	Patient Lifting Device	25	4,411	110,275	
	Anesthesia Machine	4	49,840	199,360	
	Hi Low & Prone Gurneys	10	5,364	53,640	
	Computed Radiography	1	233,000	233,000	
	Anesthesia Gas Monitors	15	9,851	147,765	1,441,862
DPW	Van	3	30,000	90,000	
	Packers	1	150,000	150,000	
	Sweeper	2	200,000	400,000	
	Sweeper	2	150,000	300,000	
	Servers, Computers, Printers	1	31,000	31,000	
	Pickup Truck w/dump, 3/4 ton	1	26,000	26,000	
	Mini-dump, 1 ton	2	41,000	82,000	
	Crewcab dump, 1 ton	3	31,000	93,000	
	Crewcab Stakebed	2	43,100	86,200	
	Large Utility Truck (cribber)	1	140,000	140,000	
	Backhoe Loader	1	109,000	109,000	
	Pickup, 3/4 ton	2	34,000	68,000	
	Dump Truck	1	44,000	44,000	
	Flat bed truck	1	65,000	65,000	
	Light tower-Generator	1	45,000	45,000	
	Wood chipper	1	45,000	45,000	1,774,200
Fire	Triple Combination Pumper	3	314,000	942,000	
	Ambulance	1	107,000	107,000	
	Battalion Command Vehicle	2	46,000	92,000	
	Hurst tool units	2	20,000	40,000	1,181,000
PTC	1 ton super duty truck w/utility body	1	50,000	50,000	
	Minivans w/cargo space	5	25,471	127,355	
	Three-wheeled vehicles	1	27,502	27,502	204,857
Rec & Park	1/2 ton pick up truck	1	31,250	31,250	
	Brush tree chipper-brush bandit #200	2	31,500	63,000	
	Truck - 3/4 ton w/utility bed	2	34,500	69,000	
	Turf rake	3	16,000	48,000	
	Turf vehicle - Workman 3200	2	18,900	37,800	
	Truck - 3/4 ton dump	2	34,500	69,000	
	Truck - 3/4 ton dump bed	1	45,000	45,000	
	Truck 3/4 ton w/utility body	4	34,500	138,000	

Attachment I

	Truck - dump 6-7YD F750	2	74,500	149,000	
	Turf vehicle - Cushman	2	18,900	37,800	
	Truck - 1 ton crew cab	1	43,500	43,500	
	Truck - 3/4 ton w/dump bed 4x4	2	34,500	69,000	
	Truck - 1/4 ton Ford Ranger	1	35,500	35,500	
	Truck - 3/4 ton w/flat bed	1	20,000	20,000	
	Turf vehicle	2	19,500	39,000	
	Turf Vehicle	1	20,000	20,000	
	Tub Grinder	1	500,000	500,000	
	Heavy Duty Dump Truck	1	125,000	125,000	1,539,850
REG	Forklift	1	20,000	20,000	20,000
Sheriff	Pickup, 1/2 Ton, Full, Lev	1	30,000	30,000	30,000
TIS	Ford Van CNG	4	27,600	110,400	110,400
Police	Marked Cars	19	39,500	750,500	
	Unmarked Cars	12	27,000	324,000	
	Patrol vans	4	37,500	150,000	
	Off road motorcycles	8	9,000	72,000	1,296,500
	Total:	**209**		**8,235,669**	**$ 8,235,669**

Source: Mayor's Office of Public Finance

Attachment II

Series 1991A Bonds	Lease Purchase Revenue Bonds Issued	$7,020,000	
	Repayment to Date	$7,020,000	
	Outstanding Indebtedness: Series 1991A:		$0
Series 1992A Bonds	Lease Purchase Revenue Bonds Issued	$5,555,000	
	Repayment to Date	$5,555,000	
	Outstanding Indebtedness: Series 1992A:		$0
Series 1993A Bonds	Lease Purchase Revenue Bonds Issued	$10,200,000	
	Repayment to Date	$10,200,000	
	Outstanding Indebtedness: Series 1993A:		$0
Series 1994A Bonds	Lease Purchase Revenue Bonds Issued	$6,850,000	
	Repayment to Date	$6,850,000	
	Outstanding Indebtedness: Series 1994A:		$0
Series 1995A Bonds	Lease Purchase Revenue Bonds Issued	$6,075,000	
	Repayment to Date	$6,075,000	
	Outstanding Indebtedness: Series 1995A:		$0
Series 1996A Bonds	Lease Purchase Revenue Bonds Issued	$7,065,000	
	Repayment to Date	$7,065,000	
	Outstanding Indebtedness: Series 1996A:		$0
Series 1997A Bonds	Lease Purchase Revenue Bonds Issued	$13,715,000	
	Repayment to date	$10,820,000	
	Outstanding Indebtedness: Series 1997A:		$2,895,000
Series 1998A Bonds	Lease Purchase Revenue Bonds Issued	$10,835,000	
	Repayment to Date	$10,085,000	
	Outstanding Indebtedness: Series 1998A:		$750,000
Series 1999A Bonds	Lease Purchase Revenue Bonds Issued	$8,315,000	
	Repayment to Date	$6,160,000	
	Outstanding Indebtedness: Series 1999A:		$2,155,000
Series 2002A Bonds	Lease Purchase Revenue Bonds Issued	$7,900,000	
	Repayment to Date	$710,000	
	Outstanding Indebtedness: Series 2002A:		$7,190,000
Series 2003A Bonds	Lease Purchase Revenue Bonds Issued	$10,975,000	
	Repayment to Date	$0	
	Outstanding Indebtedness: Series 2002A:		$10,975,000
	Total Amount Issued as of July 1, 2003	$94,505,000	
	Total Amount Repaid as of July 1, 2003	$70,540,000	
	Total Outstanding Indebtedness as of July 1, 2003		$23,965,000
	Total Maximum Allowable Indebtedness for FY 2003-2004		$37,712,983
	Total Allowable Indebtedness as of July 1, 2003		$13,747,983

Source: City and County of San Francisco Finance Corporation

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

Attachment III

September 24, 2003

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: File 03-0983
Authorization for the San Francisco Finance Corporation to Issue Lease Revenue Bonds

Dear Ms. Young:

Charter Section 9.108 provides that the Controller certify, prior to the sale of the lease financing bonds, that the net interest cost to the City will be lower than other financings involving a lease or leases. The Mayor's Office of Public Finance believes that they could issue the bonds at an interest rate of 2.5% based on the September 22, 2003 rates. This rate compares favorable to the rates from other companies including the 3.67% for SBC Capital Services and 3.49% for Providence Capital and 3.45% for Key Municipal Finance,

In order to provide a buffer against an increase in interest rates due to a change in market conditions, the Mayor's Office has assumed a 4.0% interest rate. It is also assumed that a change in market conditions will impact the comparable companies in a similar fashion.

If you have questions or concerns, please contact me at 554-7500 or Parnela Levin of my staff at 554-7554.

Sincerely,

Pamela Levin

for Edward M. Harrington
Controller

Cc: Monique Moyer, Mayor's Office of Public Finance
Harvey Rose, Budget Analyst

City and County of San Fr

Meeting Agenda

Budget Committee

[All Committees]
Government Document Section
Main Library

Members: Chris Daly, Sophie Maxwell, and

Clerk: Victor Young

Thursday, October 09, 2003 **1:00 PM** **City Hall, Room 263**

Regular Meeting

Note: Each item on the Consent or Regular agenda may include the following documents:

1) *Legislation*
2) *Budget Analyst report*
3) *Legislative Analyst report*
4) *Department or Agency cover letter and/or report*
5) *Public correspondence*

These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

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AGENDA CHANGES

REGULAR AGENDA

1. **030983** **[2004 Finance Corporation Equipment Program]**

Mayor

Resolution approving the form of and authorizing execution and delivery by the City and County of San Francisco of an equipment lease Supplement No. 11 (Series 2004A Bonds) between the City and the County of San Francisco Finance Corporation, as lessor, and the City and County of San Francisco, as lessee, with respect to the equipment to be used for city purposes, a related certificate of approval and a continuing disclosure certificate; approving the issuance of lease revenue bonds by said nonprofit corporation in an amount not to exceed $9,945,000; providing for reimbursement to the City and County of San Francisco of certain city expenditures incurred prior to the issuance of lease revenue bonds; and providing for the execution of documents in connection therewith. (Mayor)

6/3/03, RECEIVED AND ASSIGNED to Budget Committee

2. 022011 **[State of California Budget Cuts]**

Supervisors Peskin, Daly

Hearing to receive a briefing from the Mayor's Budget Director on recent information on State of California budget cuts and their impact on City and County of San Francisco's budget.

12/9/02, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests this item be scheduled for consideration at the December 18, 2002 meeting.

12/18/02, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office; Marcia Rosen, Executive Director, Redevelopment Agency.

2/5/03, TRANSFERRED to Finance and Audits Committee. New committee structure 2/17/03.

2/27/03, TRANSFERRED to Budget Committee.

3. 031327 **[Competitive Procurement for SLUG Contracts]**

Supervisor Daly

Hearing to consider the process for reassigning contracts formerly entered into with the San Francisco League of Urban Gardeners. Specifically, to ensure that competitive solicitation, not sole source, is used for reassignment of these contracts.

7/29/03, RECEIVED AND ASSIGNED to Budget Committee.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Budget Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

There are no items now pending under the 30 day rule.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are cablecast on SF Cable 26. For video tape copies and scheduling call (415) 557-4293.

Requests for language translation at a meeting must be received no later than noon the Friday before the meeting. Contact Ohn Myint at (415) 554-7704.

AVISO EN ESPAÑOL: La solicitud para un traductor en una reunion debe recibirse antes de mediodia de el viernes anterior a la reunion. Llame a Erasmo Vazquez (415) 554-4909.

翻譯 *必須在會議前最少四十八小時提出要求*
請電 (415) 554-7701

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

All meetings are real-time captioned and are cablecast open-captioned on SF Cable 26.

The following services are available when requested 48 hours before the Committee meeting. This advance notice will help ensure availability.

· For American Sign Language interpreters or use of a reader during a meeting, contact Ohn Myint at (415) 554-7704.

· For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

· Assistive listening devices are available from the receptionist in the Clerk of the Board's Office, Room 244, prior to the meeting.

· The Clerk of the Board's Office TTY number is (415) 554-5227.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102 by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org
Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

CITY AND COUNTY OF SAN

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

[Budget Analyst Report]
Susan Hom
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October 2, 2003

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: October 9, 2003 Budget Committee Meeting

Item 1 - File 03-0983

Department: Mayor's Office of Public Finance

Item: Resolution (a) approving the form of and authorizing execution and delivery by the City and County of San Francisco of (i) an equipment lease Supplement No. 11 (Series 2004A Bonds) between the City and County of San Francisco Finance Corporation, a nonprofit corporation, as lessor, and the City and County of San Francisco, as lessee, with respect to the equipment to be used for City purposes, and (ii) a related Certificate of Approval and a Continuing Disclosure Certificate; (b) approving the issuance of Lease Revenue Bonds by said nonprofit corporation in an amount not to exceed $10,395,000; (c) providing for reimbursement to the City and County of San Francisco of certain City expenditures incurred prior to the issuance of Lease Revenue Bonds; and (d) providing for the execution of documents in connection therewith.

Amount: Not to exceed $9,945,000 (see Comment No. 5)

Source of Funds: Lease Revenue Bond Proceeds

Description: In June of 1990, San Francisco voters approved Proposition C, a Charter Amendment which authorized the Board of Supervisors to approve, without further voter approval, lease-financing of equipment purchases for the City through a nonprofit public benefit corporation, the San Francisco Finance Corporation. The equipment leased by the City is purchased by the San Francisco Finance Corporation from the proceeds of Lease Revenue Bonds.

According to Ms. Nadia Sesay of the Mayor's Office of Public Finance, the City has issued Lease Revenue Bonds for the procurement of equipment on an annual basis since FY 1990-1991, with the exception of FY 1996-1997 and FY 2000-2001. The Mayor's Office is now requesting authorization to issue up to $10,395,000 in City and County of San Francisco Corporation Lease Revenue Bonds, Series 2004A, for the acquisition and installation of equipment previously approved by the Board of Supervisors in the FY 2003-2004 budget in the amount of $8,235,669. The equipment detail by City department is shown in Attachment I. Attachment I, provided by Ms. Sesay, includes a list of the equipment to be acquired, including (a) the applicable City departments, (b) the number of units, and (c) the equipment costs, as previously approved by the Board of Supervisors in the FY 2003-2004 budget. The FY 2003-2004 budget, as finally adopted by the Board of Supervisors also included a total of $13,512,231 in General Fund cash equipment purchases.

Ms. Sesay reports that although the proposed resolution is requesting authorization to issue up to $10,395,000 in City and County of San Francisco Corporation Lease Revenue Bonds, Series 2004A, the Mayor's Office of Public Finance expects to issue only $10,095,000. Ms. Sesay further reports that the additional $300,000 authorization requested is a contingency amount in the event of an increase in interest rates. Ms. Sesay states that the $10,095,000 in proposed bonds includes: (a) $8,235,669 for the acquisition and installation of equipment (b) $1,009,500 for the Debt Service Reserve Fund, (c) $507,442 for the Capitalized Interest Account, (d) $255,000 for the Costs of Issuance Fund, (e) $87,049 for the Underwriters' Discount and (f) $340 for rounding[1].

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[1] According to Ms. Sesay, bonds may only be issued in $5,000 increments and upon the issuance of the proposed bonds the $340 would initially be placed in the Costs of Issuance Fund, and would then be used to pay down the principal amount of the bonds.

According to Ms. Sesay, using the Series 2004A Lease Revenue Bonds would spread out the cost of the equipment over the life of the bonds, or five years, instead of purchasing the equipment outright in FY 2003-2004, results in not having to appropriate $8,108,809 of General Fund monies in the FY 2003-2004 budget. This $8,108,809 represents the $8,235,669 in equipment acquisition and installation costs, as shown in Attachment I, which would instead be purchased with Lease Revenue Bond proceeds, less $126,860 in the initial annual lease payments for the proposed Series 2004A Lease Revenue Bonds to be issued in FY 2003-2004.

Ms. Sesay advises that interest rates on Lease Revenue Bonds issued by nonprofit corporations are generally lower than the interest on other financing instruments because of the tax-exempt status of investments in non-profit corporations. Charter Section 9.108 requires that the San Francisco Finance Corporation not issue Lease Revenue Bonds for equipment purchase unless the Controller certifies that the interest costs to the City would be lower through the San Francisco Finance Corporation than through the other financing instruments, such as third party vendors. Under the proposed resolution, in accordance with Charter Section 9.108, the Controller is required to certify that the interest rates are lower through the San Francisco Finance Corporation prior to the sale of the proposed Series 2004A Lease Revenue Bonds. According to Ms. Pamela Levin of the Controller's Office, the Controller has certified that the interest rates to the City would be lower through the San Francisco Financing Corporation than through other financing instruments (see Comment No. 4).

In accordance with Charter Section 9.108, the total outstanding indebtedness of the San Francisco Finance Corporation may not exceed a principal amount of $20,000,000 at any given time beginning in FY 1990-1991, with the limit increasing by five percent in each subsequent fiscal year. The maximum amount of allowable indebtedness in FY 2003-2004 for the lease financing of equipment is $37,712,983, according to Ms. Sesay.

The Board of Supervisors has previously authorized the issuance by the San Francisco Finance Corporation of up to $104,119,707 in Lease Revenue Bonds to finance the purchase of equipment, as follows:

Fiscal Year	Authorized Lease Revenue Bonds
1990-1991	$7,304,707
1991-1992	Up to 10,000,000
1992-1993	Up to 10,200,000
1993-1994	Up to 7,000,000
1994-1995	Up to 6,500,000
1995-1996	Up to 7,065,000
1996-1997	0
1997-1998	Up to 14,000,000
1998-1999	Up to 11,500,000
1999-2000	Up to 9,800,000
2000-2001	0
2001-2002	Up to 9,000,000
2002-2003	Up to 11,750,000
Total	**Up to $104,119,707**

As noted above, the San Francisco Finance Corporation has been authorized to issue up to $104,119,707 since FY 1990-1991 in Lease Revenue Bonds to procure equipment on behalf of the City. According to Ms. Sesay, a total of $94,505,000 in Lease Revenue Bonds has actually been issued. The actual amount of Lease Revenue Bonds issued by the San Francisco Finance Corporation, the amounts which have been repaid, and the outstanding indebtedness as of July 1, 2003, are shown in Attachment II, provided by the Mayor's Office of Public Finance.

As shown in Attachment II, as of July, 1, 2003, the projected amount of outstanding indebtedness is $23,965,000, resulting in an available balance of $13,747,983 in debt capacity for equipment lease financing in FY 2003-2004 (The maximum allowable indebtedness of $37,712,983 less $23,965,000).

The proposed resolution would authorize the issuance of new Series 2004A Lease Revenue Bonds in FY 2003-2004 in an amount not to exceed $10,395,000, which is within the unused debt capacity for equipment lease financing under Charter Section 9.108 of $13,747,983 for FY 2003-2004, as noted in Attachment II. Ms. Sesay estimates that the Series 2004A Lease Revenue Bonds will be sold on a competitive basis on or about December 2, 2003, subsequent to Board of Supervisors approval of this proposed resolution and approval from the San Francisco Finance Corporation.

Ms. Sesay reports that, subsequent to authorization of the proposed resolution, the San Francisco Finance Corporation will sell bonds to prospective investors and will purchase the equipment on behalf of the City using the proceeds from the Lease Revenue Bond funds. City departments will then use their budgeted FY 2003-2004 equipment lease funds to make the required annual lease payments to the San Francisco Finance Corporation, which in turn will use such funds to repay the principal and interest on the Lease Revenue Bonds.

According to Ms. Sesay, the bond trustee for the San Francisco Finance Corporation will act as a bank for equipment purchases. Ms. Sesay explains that the applicable City departments have budgeted the necessary annual lease payments within their FY 2003-2004 department budgets, as previously approved of the Board of Supervisors. Ms. Sesay reports that the total amount of the annual lease payments for the proposed Series 2004A Lease Revenue Bonds in FY 2003-2004 is approximately $126,860. A total of $11,677,552, including principal of $10,095,000 and interest of $1,582,552, will be repaid over the five-year term of the lease revenue financing for the equipment listed by each applicable City department detailed in Attachment I. According to Ms. Sesay, the anticipated annual interest rate for the Series 2004A Lease Revenue Bonds is 4.0 percent. The $10,095,000 in Lease Revenue Bonds will be fully redeemed by April 1, 2010, according to Ms. Sesay.

The proposed resolution also provides for (a) the payment of bond issuance costs related to the proposed issuance of Series 2004A Lease Revenue Bonds which are incurred prior to the actual date of issuance and (b) the execution of documents needed to implement the proposed resolution.

The annual budgets of City departments must include the amount of the City's annual lease-purchase payments (including principal and interest) for equipment procured through the San Francisco Finance Corporation. Since these payments are required under the terms of the lease-purchase agreement with the San Francisco Finance Corporation, the annual payments become fixed costs of City departments for the term of the Lease Revenue Bond repayment period, once the equipment has been procured and acquired by the San Francisco Finance Corporation. As noted above, City departments will make lease payments to the San Francisco Financing Corporation, which in turn will use such funds to repay the bond funds.

Comments:

1. According to Ms. Sesay, the actual interest rate to the City on the proposed Lease Revenue Bonds cannot be determined precisely, because the interest rate will depend on prevailing financial market interest rates when the Series 2004A Lease Revenue Bonds are actually sold. Ms. Sesay advises that interest costs will also vary for each equipment item purchased based on the number of years in the repayment period for the item, which cannot exceed the useful life of the equipment or the five-year term of the proposed Lease Revenue Bonds.

2. As previously noted, Ms. Sesay estimates that, if the proposed Series 2004A Lease Revenue Bonds are sold in a principal amount of approximately $10,095,000 at an estimated annual interest rate of 4.0 percent, and if they are based on the expected repayment period of five years, the City's total principal and interest cost would be approximately $11,677,552 over the five-year life of the Series 2004A Lease Revenue Bonds. However, Ms. Sesay states that the interest rate is currently 2.5 percent and if the proposed bonds were issued today, the principal amount would be $9,865,000 and the interest rate costs would be $928,777, for a total cost of $10,793,777 over five years.

3. The proposed resolution provides for a Continuing Disclosure Certificate. According to Ms. Sesay, Federal law requires all cities and counties that issue tax-exempt debt, to file an Annual Report with a national repository for the benefit of the investors. The Annual Report would contain the following: (a) the audited financial statements of the City; (b) the status of the project; (c) a summary of budgeted General Fund revenues and appropriations, (d) a summary of assessed valuation of taxable property, and (e) a summary of outstanding and authorized but unissued tax supported debt.

4. Under Charter Section 9.108, the Controller is required to certify, prior to the sale of the proposed Series 2004A Lease Revenue Bonds, that the interest rates on the proposed Lease Revenue Bonds are lower to the City through the San Francisco Finance Corporation than through other financing instruments. Ms. Levin advises that the Controller reviewed the estimated interest rates for comparable equipment lease-financing that would be charged by various companies, including SBC Capital Services, Providence Capital and Key Municipal Finance. As shown in Attachment III, provided by Ms. Levin, the Controller has certified, in accordance with Charter Section 9.108, that the estimated annual interest rate for the Lease Revenue Bonds issued by the San Francisco Finance Corporation of 2.5 percent if the bonds were sold at this time, based on a repayment of five years, is less than the interest rates ranging between 3.45 percent and 3.67 percent that the surveyed companies would charge.

5. According to Ms. Sesay, the proposed resolution states that the amount of lease revenue bonds to be issued would not exceed $9,945,000. However, Ms. Sesay notes that additional equipment items in the amount of $271,000 were added to the list of equipment that would be lease-financed through the subject Lease Revenue Bonds during the FY 2003-2004 budget review process in order to realize additional General Fund savings in the FY 2003-2004 budget. According to Ms. Sesay, the addition of $271,000 in equipment purchase results in an increase of $450,000 to the amount of Lease Revenue Bonds to be issued and the new correct amount of the

Lease Revenue Bonds to be issued is a not to exceed amount of $10,395,000, which includes $300,000 as a contingency amount in the event of an increase in interest rates. The proposed resolution should therefore be amended to state not to exceed $10,395,000 instead of not to exceed $9,945,000.

Recommendations: 1. In accordance with Comment No. 5, amend the proposed resolution by deleting the not to exceed amount of the subject Lease Revenue Bonds of $9,945,000 and inserting not to exceed $10,395,000.

2. Approve the proposed resolution, as amended.

Harvey M. Rose

cc: Supervisor Daly
Supervisor Maxwell
Supervisor Peskin
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

Attachment I
Page 1 of 2

City and County of San Francisco Finance Corporation
Lease Revenue Bonds, Series 2004A
Equipment Purchase

Dept.	Equipment	Units	Unit Cost	Total Cost	Dept. Sub. Total
ADM	Vehicle Replacement	15	25,000	375,000	375,000
ADP	Sedan full size Lev-transporter	1	35,000	35,000	35,000
Animal Ctrl	Fully equipped Animal Control Van	1	38,000	38,000	38,000
CME	Gas Chromatograph	1	35,000	35,000	
	Head Space Gas Chromatograph	1	50,000	50,000	
	Mass Spectrometer/Gas Chromatograph	1	80,000	80,000	
	Centrifuges	2	12,000	24,000	189,000
DPH	Ortho Clinic Replacement	1	375,900	375,900	
	Sterrad Sterilizer	1	115,553	115,553	
	Anesthesia Machine	2	49,840	99,680	
	Defibrillator	4	8,600	34,400	
	Bladder Scanner	3	14,648	43,944	
	Electroencephalograph Machine (EEG)	1	28,345	28,345	
	Patient Lifting Device	25	4,411	110,275	
	Anesthesia Machine	4	49,840	199,360	
	Hi Low & Prone Gurneys	10	5,364	53,640	
	Computed Radiography	1	233,000	233,000	
	Anesthesia Gas Monitors	15	9,851	147,765	1,441,862
DPW	Van	3	30,000	90,000	
	Packers	1	150,000	150,000	
	Sweeper	2	200,000	400,000	
	Sweeper	2	150,000	300,000	
	Servers, Computers, Printers	1	31,000	31,000	
	Pickup Truck w/dump, 3/4 ton	1	26,000	26,000	
	Mini-dump, 1 ton	2	41,000	82,000	
	Crewcab dump, 1 ton	3	31,000	93,000	
	Crewcab Stakebed	2	43,100	86,200	
	Large Utility Truck (cribber)	1	140,000	140,000	
	Backhoe Loader	1	109,000	109,000	
	Pickup, 3/4 ton	2	34,000	68,000	
	Dump Truck	1	44,000	44,000	
	Flat bed truck	1	65,000	65,000	
	Light tower-Generator	1	45,000	45,000	
	Wood chipper	1	45,000	45,000	1,774,200
Fire	Triple Combination Pumper	3	314,000	942,000	
	Ambulance	1	107,000	107,000	
	Battalion Command Vehicle	2	46,000	92,000	
	Hurst tool units	2	20,000	40,000	1,181,000
PTC	1 ton super duty truck w/utility body	1	50,000	50,000	
	Minivans w/cargo space	5	25,471	127,355	
	Three-wheeled vehicles	1	27,502	27,502	204,857
Rec & Park	1/2 ton pick up truck	1	31,250	31,250	
	Brush tree chipper-brush bandit #200	2	31,500	63,000	
	Truck - 3/4 ton w/utility bed	2	34,500	69,000	
	Turf rake	3	16,000	48,000	
	Turf vehicle - Workman 3200	2	18,900	37,800	
	Truck - 3/4 ton dump	2	34,500	69,000	
	Truck - 3/4 ton dump bed	1	45,000	45,000	
	Truck 3/4 ton w/utility body	4	34,500	138,000	

	Truck - dump 6-7YD F750	2	74,500	149,000	
	Turf vehicle - Cushman	2	18,900	37,800	
	Truck - 1 ton crew cab	1	43,500	43,500	
	Truck - 3/4 ton w/dump bed 4x4	2	34,500	69,000	
	Truck - 1/4 ton Ford Ranger	1	35,500	35,500	
	Truck - 3/4 ton w/flat bed	1	20,000	20,000	
	Turf vehicle	2	19,500	39,000	
	Turf Vehicle	1	20,000	20,000	
	Tub Grinder	1	500,000	500,000	
	Heavy Duty Dump Truck	1	125,000	125,000	1,539,850
REG	Forklift	1	20,000	20,000	20,000
Sheriff	Pickup, 1/2 Ton, Full, Lev	1	30,000	30,000	30,000
TIS	Ford Van CNG	4	27,600	110,400	110,400
Police	Marked Cars	19	39,500	750,500	
	Unmarked Cars	12	27,000	324,000	
	Patrol vans	4	37,500	150,000	
	Off road motorcycles	8	9,000	72,000	1,296,500
	Total:	**209**		**8,235,669**	**$ 8,235,669**

Source: Mayor's Office of Public Finance

Attachment II

Series 1991A Bonds	Lease Purchase Revenue Bonds Issued	$7,020,000	
	Repayment to Date	$7,020,000	
	Outstanding Indebtedness: Series 1991A:		$0
Series 1992A Bonds	Lease Purchase Revenue Bonds Issued	$5,555,000	
	Repayment to Date	$5,555,000	
	Outstanding Indebtedness: Series 1992A:		$0
Series 1993A Bonds	Lease Purchase Revenue Bonds Issued	$10,200,000	
	Repayment to Date	$10,200,000	
	Outstanding Indebtedness: Series 1993A:		$0
Series 1994A Bonds	Lease Purchase Revenue Bonds Issued	$6,850,000	
	Repayment to Date	$6,850,000	
	Outstanding Indebtedness: Series 1994A:		$0
Series 1995A Bonds	Lease Purchase Revenue Bonds Issued	$6,075,000	
	Repayment to Date	$6,075,000	
	Outstanding Indebtedness: Series 1995A:		$0
Series 1996A Bonds	Lease Purchase Revenue Bonds Issued	$7,065,000	
	Repayment to Date	$7,065,000	
	Outstanding Indebtedness: Series 1996A:		$0
Series 1997A Bonds	Lease Purchase Revenue Bonds Issued	$13,715,000	
	Repayment to date	$10,820,000	
	Outstanding Indebtedness: Series 1997A:		$2,895,000
Series 1998A Bonds	Lease Purchase Revenue Bonds Issued	$10,835,000	
	Repayment to Date	$10,085,000	
	Outstanding Indebtedness: Series 1998A:		$750,000
Series 1999A Bonds	Lease Purchase Revenue Bonds Issued	$8,315,000	
	Repayment to Date	$6,160,000	
	Outstanding Indebtedness: Series 1999A:		$2,155,000
Series 2002A Bonds	Lease Purchase Revenue Bonds Issued	$7,900,000	
	Repayment to Date	$710,000	
	Outstanding Indebtedness: Series 2002A:		$7,190,000
Series 2003A Bonds	Lease Purchase Revenue Bonds Issued	$10,975,000	
	Repayment to Date	$0	
	Outstanding Indebtedness: Series 2002A:		$10,975,000
Total Amount Issued as of July 1, 2003		$94,505,000	
Total Amount Repaid as of July 1, 2003		$70,540,000	
Total Outstanding Indebtedness as of July 1, 2003			$23,965,000
Total Maximum Allowable Indebtedness for FY 2003-2004			$37,712,983
Total Allowable Indebtedness as of July 1, 2003			$13,747,983

Source: City and County of San Francisco Finance Corporation

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

Attachment III

September 24, 2003

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: File 03-0983
Authorization for the San Francisco Finance Corporation to Issue Lease Revenue Bonds

Dear Ms. Young:

Charter Section 9.108 provides that the Controller certify, prior to the sale of the lease financing bonds, that the net interest cost to the City will be lower than other financings involving a lease or leases. The Mayor's Office of Public Finance believes that they could issue the bonds at an interest rate of 2.5% based on the September 22, 2003 rates. This rate compares favorable to the rates from other companies including the 3.67% for SBC Capital Services and 3.49% for Providence Capital and 3.45% for Key Municipal Finance,

In order to provide a buffer against an increase in interest rates due to a change in market conditions, the Mayor's Office has assumed a 4.0% interest rate. It is also assumed that a change in market conditions will impact the comparable companies in a similar fashion.

If you have questions or concerns, please contact me at 554-7500 or Pamela Levin of my staff at 554-7554.

Sincerely,

Pamela Levin

for Edward M. Harrington
Controller

Cc: Monique Moyer, Mayor's Office of Public Finance
Harvey Rose, Budget Analyst

City and County of San Francis

Meeting Agenda

Budget Committee

[All Committees]
Government Document Section
Main Library

Members: Chris Daly, Sophie Maxwell, and Aaron P

Clerk: Victor Young

Thursday, October 23, 2003 **1:00 PM** **City Hall, Room 263**

Regular Meeting

/23/03

Note: Each item on the Consent or Regular agenda may include the following documents:
1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence
These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

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AGENDA CHANGES

REGULAR AGENDA

1. **022011** **[State of California Budget Cuts]**
Supervisors Peskin, Daly

Hearing to receive a briefing from the Mayor's Budget Director on recent information on State of California budget cuts and their impact on City and County of San Francisco's budget.

12/9/02, RECEIVED AND ASSIGNED to Finance Committee. Sponsor requests this item be scheduled for consideration at the December 18, 2002 meeting.

12/18/02, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Budget Office; Marcia Rosen, Executive Director, Redevelopment Agency

2/5/03, TRANSFERRED to Finance and Audits Committee. New committee structure 2/17/03.

2/27/03, TRANSFERRED to Budget Committee.

10/9/03, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Ben Rosenfield, Mayor's Office; Ed Harrington, Controller

Continued to the next meeting of the Budget Committee

2. 031653 **[Annual Review and Approval of the Board of Supervisors/Clerk of the Board Annual Budget Guidelines and Draft Budget]**

Supervisor Daly

Hearing to consider the annual review and approval of the Board of Supervisors/Clerk of the Board Annual Budget Guidelines and Draft Budget prior to submittal to the Mayor.

9/30/03, RECEIVED AND ASSIGNED to Budget Committee.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Budget Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

There are no items now pending under the 30 day rule.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

Board meetings are cablecast on SF Cable 26. For video tape copies and scheduling call (415) 557-4293.

Requests for language translation at a meeting must be received no later than noon the Friday before the meeting. Contact Ohn Myint at (415) 554-7704.

AVISO EN ESPAÑOL: La solicitud para un traductor en una reunion debe recibirse antes de mediodia de el viernes anterior a la reunion. Llame a Erasmo Vazquez (415) 554-4909.

翻譯 *必須在會議前最少四十八小時提出要求*
請電 (415) 554-7701

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

All meetings are real-time captioned and are cablecast open-captioned on SF Cable 26.

The following services are available when requested 48 hours before the Committee meeting. This advance notice will help ensure availability.

· For American Sign Language interpreters or use of a reader during a meeting, contact Ohn Myint at (415) 554-7704.

· For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.

· Assistive listening devices are available from the receptionist in the Clerk of the Board's Office, Room 244, prior to the meeting.

· The Clerk of the Board's Office TTY number is (415) 554-5227.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102 by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org
Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

BOARD of SUPERVISORS

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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Budget Committee scheduled for Thursday, November 6, 2003, at 1:00 p.m. at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

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NOTICE OF CANCELLED MEETING

BUDGET COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that the meeting of the Budget Committee scheduled for Thursday, November 20, 2003, at 1:00 p.m. at 1 Dr. Carlton B. Goodlett Place, Room 263, City Hall, San Francisco, California, has been **cancelled**.

Gloria L. Young, Clerk of the Board

City and County of San Francisc

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Meeting Agenda

Budget Committee

Members: Chris Daly, Sophie Maxwell, and Aaron P

Clerk: Victor Young

Friday, December 12, 2003 **2:00 PM** **City Hall, Room 263**

Rescheduled Meeting

SF
S43.07
#1
12/12/03

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Budget Committee on Thursday, December 11, 2003, at 1:00 p.m. HAS BEEN RESCHEDULED TO Friday, December 12, 2003 at 2:00 p.m. and will be held in Room 263, Second Floor, City Hall.

Note: Each item on the Consent or Regular agenda may include the following documents:

1) Legislation
2) Budget Analyst report
3) Legislative Analyst report
4) Department or Agency cover letter and/or report
5) Public correspondence

These items will be available for review at City Hall, Room 244, Reception Desk.

Each member of the public will be allotted the same maximum number of minutes to speak as set by the Chair at the beginning of each item, excluding City representatives, except that public speakers using translation assistance will be allowed to testify for twice the amount of the public testimony time limit. If simultaneous translation services are used, speakers will be governed by the public testimony time limit applied to speakers not requesting translation assistance.

AGENDA CHANGES

REGULAR AGENDA

1. **031881** **[2004-2007 Children's Service Allocation Plan]**

Supervisor Daly

Resolution approving the Children's Services Allocation Plan for the Children's Fund in accordance with Section 16.108 of the San Francisco Charter.

11/18/03, RECEIVED AND ASSIGNED to Budget Committee
11/21/03, REFERRED TO DEPARTMENT. Referred to Youth Commission
12/4/03, RESPONSE RECEIVED.

2. 031873 **[Memorandum of Understanding - Police]**

Mayor

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the Municipal Executives Association (Police) to be effective July 1, 2003 through June 30, 2005.

11/18/03, RECEIVED AND ASSIGNED to Budget Committee.

3. 031874 **[Memorandum of Understanding - Fire]**

Mayor

Ordinance adopting and implementing the Memorandum of Understanding between the City and County of San Francisco and the Municipal Executives Association (Fire) to be effective July 1, 2003 through June 30, 2005.

11/18/03, RECEIVED AND ASSIGNED to Budget Committee.

4. 031965 **[MOU - H-1 Fire Rescue Paramedics]**

Mayor

Ordinance adopting and implementing the 2003-2005 Memorandum of Understanding between the H-1 Fire Rescue Paramedics, Service Employees International Union, Local 790 and the City and County of San Francisco, to be effective July 1, 2003 through June 30, 2005.

12/9/03, RECEIVED AND ASSIGNED to Budget Committee.

Pending introduction of legislation on 12/9/03.

ADJOURNMENT

IMPORTANT INFORMATION

NOTE: Persons unable to attend the meeting may submit to the City, by the time the proceedings begin, written comments regarding the agenda items above. These comments will be made a part of the official public record and shall be brought to the attention of the Board of Supervisors. Any written comments should be sent to: Committee Clerk of the Budget Committee, San Francisco Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102 by 5:00 p.m. on the day prior to the hearing. Comments which cannot be delivered to the committee clerk by that time may be taken directly to the hearing at the location above

LEGISLATION UNDER THE 30-DAY RULE

(Not to be considered at this meeting)

Rule 5.40 provides that when an ordinance or resolution is introduced which would CREATE OR REVISE MAJOR CITY POLICY, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. The provisions of this rule shall not apply to the routine operations of the departments of the City or when a legal time limit controls the hearing timing. In general, the rule shall not apply to hearings to consider subject matter when no legislation has been presented, nor shall the rule apply to resolutions which simply URGE action to be taken.

There are no items now pending under the 30 day rule.

Meeting Procedures

The Board of Supervisors is the Legislative Body of the City and County of San Francisco. The Board has several standing Committees where ordinances and resolutions are the subject of hearings at which members of the public are urged to testify. The full Board does not hold a second public hearing on measures which have been heard in committee.

Board procedures do not permit: 1) persons in the audience at a Committee meeting to vocally express support or opposition to statements by Supervisors or by other persons testifying; 2) ringing and use of cell phones, pagers, and similar sound-producing electronic devices; 3) signs to be brought into the meeting or displayed in the room; 4) standing in the meeting room.

Citizens are encouraged to testify at Committee meetings and to write letters to the Clerk of a Committee or to its members, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102.

Agenda are available on the internet at www.sfgov.org/bdsupvrs.bos.htm.

THE AGENDA PACKET IS AVAILABLE FOR REVIEW AT CITY HALL, ROOM 244, RECEPTION DESK.

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Requests for language translation at a meeting must be received no later than noon the Friday before the meeting. Contact Ohn Myint at (415) 554-7704.

AVISO EN ESPAÑOL: La solicitud para un traductor en una reunion debe recibirse antes de mediodia de el viernes anterior a la reunion. Llame a Erasmo Vazquez (415) 554-4909.

翻譯 *必須在會議前最少四十八小時提出要求*
請電 (415) 554-7701

Disability Access

Both the Committee Room (Room 263) and the Legislative Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #47 Van Ness, and the #71 Haight/Noriega and the F Line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex.

All meetings are real-time captioned and are cablecast open-captioned on SF Cable 26.

The following services are available when requested 48 hours before the Committee meeting. This advance notice will help ensure availability.

- For American Sign Language interpreters or use of a reader during a meeting, contact Ohn Myint at (415) 554-7704.
- For a large print copy of agenda or minutes in alternative formats, contact Annette Lonich at (415) 554-7706.
- Assistive listening devices are available from the receptionist in the Clerk of the Board's Office, Room 244, prior to the meeting.
- The Clerk of the Board's Office TTY number is (415) 554-5227.

In order to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact Donna Hall; by mail to Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102 by phone at (415) 554-7724, by fax at (415) 554-7854 or by email at Donna.Hall@sfgov.org
Citizens may obtain a free copy of the Sunshine Ordinance by contacting Ms. Hall or by printing Chapter 67 of the San Francisco Administrative Code on the Internet, at http://www.sfgov.org/sunshine.htm

Lobbyist Registration and Reporting Requirements

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102; telephone (415) 581-2300; fax (415) 581-2317; web site www.sfgov.org/ethics

CITY AND COUNTY OF SAN F

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BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

December 8, 2003

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: December 12, 2003 Budget Committee Meeting

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Item 1 - File 03-1881

Department: Children, Youth and Their Families (DCYF)

Item: Resolution approving the Children's Services Allocation Plan for the Children's Fund for Fiscal Years 2004-2005, 2005-2006 and 2006-2007 in accordance with Section 16.108 of the San Francisco Charter.

Amount: $72,000,000 (or $24,000,000 for each of three fiscal years, see "Budget" below)

Source of Funds: Annual Property Tax set-aside of three cents per $100 of assessed valuation.

Description: In June of 2000, San Francisco voters approved Proposition D, an amendment to the City Charter (Section 16.108), that mandated a specific planning process for the Children's Fund. This planning process consists of (a) a Community Needs Assessment, (b) the Children's Services Allocation Plan, (c) a request for proposals (RFP) to select funding recipients and (d) an ongoing evaluation of funded programs.

Under the provisions of Charter Section 16.108 appropriations from the Fund for all fiscal years beginning after June 30, 2004 shall be made pursuant to a three-year planning cycle. During every third fiscal year beginning with the 2001-2002 Fiscal Year, the City shall prepare a Community Needs Assessment to determine services eligible to receive monies from the Children's Fund. During every third fiscal year beginning with the 2002-2003 Fiscal Year, the City shall prepare a Children's Services Allocation Plan, based on the Community Needs Assessment approved during the previous year. After a noticed public hearing, the Board of Supervisors may modify an existing Community Needs Assessment or Children's Services Allocation Plan.

Also, under the provisions of Charter Section 16.108 the Community Needs Assessment and the Children's Services Allocation Plan shall be made available to the public in draft form no later than January 31 of every third fiscal year. By March 31 of every third fiscal year the Community Needs Assessment and the Children's Services Allocation Plan shall be presented to the following commissions: Recreation and Park, Juvenile Probation, Youth, Health and Human Services. By April 30 of every third fiscal year, the Community Needs Assessment and the Children's Services Allocation Plan shall be presented to the Board of Supervisors for approval. Charter Section 16.108 does not explicitly state a deadline by which the Board of Supervisors must act on approving the Community Needs Assessment. However, Charter Section 16.108 states that if the Board of Supervisors has not approved a Community Needs Assessment before the first day of the fiscal year during which the Children's Services Allocation Plan is to be prepared, the Children's Services Allocation Plan shall be based on the Community Needs Assessment as originally submitted to the Board of Supervisors. Therefore, under the requirements of Charter Section 16.108 the Board of Supervisors could have acted on the Community Needs Assessment before July 1, 2002, prior to the date preparation of the Children's Services Allocation Plan could begin.

Charter Section 16.108 requires the Children's Services Allocation Plan to state how all services receiving monies from the Children's Fund will be coordinated with other children's services. The Children's Services Allocation Plan is also required to specify the amounts of funding to be allocated (a) toward achieving specified goals, measurable and verifiable objectives and measurable and verifiable outcomes, (b) to specified service models and (c) for specific populations and neighborhoods. Charter Section 16.108 does not explicitly set a date by which the Board of Supervisors is required to act on the Children's Services Allocation Plan.

Budget:

Attachment I, provided by the Department of Children, Youth and Their Families (DCYF), shows the Children's Services Allocation Plan's projected annual budget of $24,000,000 at the same level for each of the three fiscal years from FY 2004-2005 through FY 2006-2007. Mr. Ken Bukowski of DCYF reports that the budget shown in Attachment I represents a policy planning budget and does not represent the budgets that will be submitted to the Board of Supervisors for Fiscal Years 2004-2005, 2005-2006 and 2006-2007.

The Budget Analyst notes that the DCYF budget for FY 2003-2004 as approved by the Board of Supervisors includes Property Tax revenues dedicated to the Children's Fund in the amount of $27,323,000. Also, the Three Year Budget Forecast issued by the Controller, the Mayor's Director of Finance and the Budget Analyst on March 21, 2003 estimates that Property Tax revenues will increase by four percent in FY 2004-2005. If this projection proves accurate, Property Tax revenues dedicated to the Children's Fund in FY 2004-2005 will be $28,415,920.

Comments:

1. As stated by Mr. Bukowski in Attachment II, on "December 3, 2002: [the] Final Community Needs Assessment [was] released to [the] public and submitted to each member of the Board of Supervisors with a memo requesting the Board's approval of the document. The Board did not take any action to approve the CNA.

Although the Board did not give its formal approval to the CNA, the Children's Services Allocation Plan is based on the [CNA] originally submitted to the Board (City Charter Section 16.108(k))." According to Mr. Bukowski, DCYF did not introduce legislation for Board of Supervisors approval of the Community Needs Assessment prior to the Charter required deadline of April 30, 2002. The Budget Analyst requested an explanation as to why DCYF did not submit legislation for approval of the Community Needs Assessment, however, DCYF declined to provide such an explanation. According to Mr. Bukowski, "The Department has stated it would address any issues Supervisors may have concerning the submission process of the Community Needs Assessment at the Budget Committee meeting of December 12, 2003."

2. In accordance with the requirements of Charter Section 16.108, as previously stated, the Community Needs Assessment was required to be submitted to the Board of Supervisors by April 30, 2002 and the Children's Services Allocation Plan was required to be submitted to the Board of Supervisors by April 30, 2003. However, as stated in Attachment II by Mr. Bukowski, on "December 3, 2002: [the] Final Community Needs Assessment [was] released to [the] public and submitted to each member of the Board of Supervisors with a memo requesting the Board's approval of the document" and on "November 18, 2003: [the] Children's Services Allocation Plan and supporting legislation [was] introduced at the Board of Supervisors." Ms. Cheryl Adams of the City Attorney's Office notes that, in accordance with Charter Section 16.108(p), no appropriation, contract or other action can be held invalid as a result of the delayed submission of the Community Needs Assessment or the Children's Services Allocation Plan.

3. Approval of the proposed resolution would not authorize the appropriation of any funds, but would approve the Children's Services Allocation Plan for Fiscal Years 2004-2005, 2005-2006 and 2006-2007, beginning July 1, 2004 and ending June 30, 2007, in conformance with the Charter. The expenditure of all funds would still be subject to appropriation approval by the Board of

Supervisors in the annual budgets of DCYF for FY 2004-2005, FY 2005-2006 and FY 2006-2007.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Desired Results (Subgoals) for the Children's Fund	Percentage Allocation of Children's Fund	Estimated Dollar Value of Percentage Allocation[1]
Goal One: Children and Youth Are Healthy		
All children and youth make positive decisions to have and maintain good behavioral health (in the areas of stress, mental health, sexual activity and substance abuse, for example).	12%	$2,880,000
All children and youth participate in physical activity and have knowledge of good nutritional practices.	7%	$1,680,000
Goal Two: Children and Youth Are Ready to Learn and Are Succeeding in School		
All children and youth obtain skills, desire and confidence in literacy and math.	13%	$3,120,000
All youth are ready to access post-secondary education or have a career path.	13%	$3,120,000
All children aged 0 to 5 have access to affordable, available, high-quality early care and education.	8%	$1,920,000
Goal Three: Children and Youth Live in Safe, Supported Families and Safe, Supported, Viable Communities		
All families understand and have resources to support the cognitive, social, emotional and physical development of their children.	12%	$2,880,000
All children and youth feel and are emotionally and physically safe in their homes, schools and communities.	7%	$1,680,000
Goal Four: Children and Youth Contribute to the Growth, Development and Vitality of San Francisco		
All young people have the ability and opportunity to positively contribute to their communities.	9%	$2,160,000
All children and youth understand and value their primary culture and understand and value the cultures of others.	4%	$960,000
All 14- to 17-year-olds who want and need youth employment opportunities are able to attain them.	15%	$3,600,000
Total Investment Through the Children's Fund	100%	$24,000,000

[1] The figures provided in this column are based upon the estimate that there will be $24,000,000 per year available from the Children's Fund during each of the next three fiscal years (FY05-FY07) for distribution to community-based organizations and city departments in relation to the stated subgoals.

DEPARTMENT OF CHILDREN,
DC
YF
YOUTH AND THEIR FAMILIES

Willie L. Brown, Jr.
Mayor

Winna Davis
Acting Director

Attachment II

DATE: December 4, 2003
TO: Salvador Sanchez, Budget Analyst's Office
FROM: Ken Bukowski, Assistant Director – Budget & Administration
SUBJECT: Item 03-1881: 2004-2007 Children's Services Allocation Plan

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Pursuant to your request, the Department of Children, Youth and Their Families (DCYF) hereby submits this memorandum with additional information concerning the implementation timeline for the Community Needs Assessment portion of the multi-year planning process.

The Children's Amendment (City Charter Section 16.108) that was passed by San Francisco voters in November 2000 set forth a multi-year planning process to help determine how Children's Fund dollars should be invested. The first step in the planning process was for the DCYF to conduct a Community Needs Assessment (CNA) to be submitted to the Board of Supervisors by April 30, 2002. This document would be followed by a Children's Services Allocation Plan to be submitted to the Board of Supervisors by April 30, 2003.

The planning work for the CNA began in July 2001. The timeline for creation of the final CNA document was as follows:

- October-December 2001: Eleven focus groups conducted with over 400 community members (half under age 18), one in each supervisorial district.
- January- March 2002: Parent-to-Parent Survey of 237 San Francisco parents focused on demand for services, accessibility of services and quality of services. Youth-to-Youth Survey of 713 youth ages 12-23 focused on demand for services, accessibility of services and quality of services.
- February-March 2002: Parent Phone Survey with 404 San Francisco residents conducted by Public Research Institute of San Francisco State University.
- April-July 2002: Additional data and feedback considered from the following sources –
    - review of relevant population-level indicators
    - 2002 San Francisco Citizen Survey conducted by the Controller's Office
    - DCYF Final Evaluation Report for 2000-01
    - discussions with staff from other city departments
    - presentations before the Health Commission, Youth Commission, Recreation and Park Commission, Juvenile Probation Commission and Human Services Commission
- December 3, 2002: Final Community Needs Assessment released to public and submitted to each member of the Board of Supervisors with a memo requesting the Board's approval of the document. The Board did not take any action to approve the CNA. Although the Board did not give its formal approval to the CNA, the Children's Services Allocation Plan is based on the document originally submitted to the Board [City Charter Section 16.108(k)].
- November 18, 2003: Children's Services Allocation Plan and supporting legislation introduced at the Board of Supervisors.

Item 2 – File 03-1873

Department: Department of Human Resources (DHR)
Police Department

Item: Ordinance adopting and implementing the Memorandum of Understanding between the Municipal Executives Association (Police), and the City and County of San Francisco for the two-year period retroactive from July 1, 2003 through June 30, 2005.

Description: The proposed ordinance would adopt and implement a Memorandum of Understanding (MOU) between the City and the Municipal Executives Association members of the Police Department. The positions covered by the proposed MOU and FY 2003-2004 budgeted salaries for such positions are shown in the table below.

		Fiscal Year 2003-2004		
Class	**Title**	**Salary (Flat Rate)**	**Number of Positions**	**Total Budgeted Salaries**
0390	Chief of Police	$ 211,792	1.0	$ 211,792
0395	Assistant Chief of Police	195,290	1.0	195,290
Q 63	Criminologist	122,557	1.0	122,557
	Total		3.0	$ 529,639

The major changes between the prior MOU and the proposed MOU are summarized below:

Wages and Retirement Contributions
There shall be no wage increase in Fiscal Year 2003-2004. However, existing established wage differentials with the highest ranking deputy chief will continue for the term of the MOU. Therefore, any increase granted to lower ranked Police Department sworn personnel under the approved MOU with the Police Officers Association for FY 2004-2005 shall also be granted to the three employees under this proposed MOU.[1]

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[1] Beginning in FY 2004-2005 and for each year thereafter during the term of the MOU with the POA, a wage-setting survey approach will be used based on total compensation for the rank of Police Officer (Q-2) in six comparable cities. Increases shall be based on the percentage difference in total compensation, if any, that San Francisco lags behind the average of the designated "six comparable

In addition, as with other MOU, the three covered employees shall pay the employee's share of 7.5 percent of salaries for retirement contributions for the two fiscal years of the proposed MOU.

There shall be no reopener during the term of this Agreement.

Terrorism Response Training Pay

The three covered employees shall receive one percent (1%) Terrorism Response Training Pay, for mandated specialized training in dealing with emergencies involving terrorism and bio-terrorism, for FY 2004-225.

Floating Holidays

Presently, the three covered employees under the proposed MOU are granted a total of 13 holidays, including three floating holidays. In consideration of their agreement to resume payment of the employee's share of the retirement contributions, the eight covered employees will receive an additional five (5) paid floating holidays each fiscal year for the duration of this Agreement .

Uniform Allowance

As with the previously approved MOU with the Police Officers Association, effective July 1, 2004 the three covered employees shall receive, as part of their regular rate of pay, seven hundred and fifty dollars ($750.00) per year as an annual uniform allowance.

Comments: As shown in the Controllers' Attachment, the Controller's Office estimates that the cumulative savings of implementing the proposed MOU would be $64,096 over the two year period of this proposed MOU, including a savings of $35,590 in FY 2003-2004 and a savings of $28,507 in FY 2004-2005.

Recommendation: Approve the proposed ordinance.

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cities". The designated six comparable cities are: Oakland; San Jose; Los Angeles; Santa Rosa; Fremont; and, Richmond.

Attachment
Page 1 of 2

CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

December 5, 2003

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 03-1873
Amendment to Memorandum of Understanding (MOU) with Municipal Executives' Association - Police

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the Municipal Executives Association (MEA) - Police. The amendment covers the period July 1, 2003 through June 30, 2005, and affects 3 authorized positions with a salary base of approximately $475,000 and a total pay and benefits base of approximately $491,000.

Based on our analysis, the MOU will result in a net cost decrease of approximately $36,000 in FY 2003-2004, a savings of approximately 6.6% below the FY 2002-2003 overall pay and benefits base. The amendment contains no wage increase, and includes a provision for employees to pay the full employee contribution to the retirement system which had previously been paid by the City for both years of the agreement. For FY 2003-2004, this amount, equal to 7.5% of pensionable salary, will result in the savings noted above. The MOU provides for an additional five paid floating holidays in FY 2003-2004. This provision may result in lost productivity and in some costs for those employees who are replaced on overtime however we have not estimated a cost for this provision at this time. There will be no reopener during the term of the MOU. Please see Attachment A for specific estimates.

A new 1% terrorism response training pay, effective July 1, 2004, will increase costs by approximately $4,800 in FY 2004-2005. Employees will also receive a $750 uniform allowance beginning in the second year of the contract, with a cost of $2,300.

The cost of continuing existing dependent health and dental benefits provided under the MOU will increase by $1,100 in FY 2003-2004 and $2,200 in FY 2004-2005.

If you have additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Municipal Executive's Association - Police
Estimated Costs/(Savings) FY 2003-2004 and FY 2004-2005
Controller's Office

Annual Costs/(Savings)	**FY 2003-2004**	**FY 2004-2005**
Premiums and Benefits		
Eliminate City contribution of 7.5% retirement in FY 2003-2004 and FY 2004-2005	($35,590)	$0
1% terrorism response training pay	$0	$4,751
Uniform allowance	$0	$2,250
Wage-Related Fringe Increases/(Decreases)	$0	$82
Total Estimated Incremental Costs/(Savings)	($35,590)	$7,083
Annual Amount Above/(Below) 2002-2003	($35,590)	($28,507)
Cumulative Total Above/(Below) 2002-2003 Provisions		($64,096)
Incremental Cost % of 2002-2003 Total Pay & Benefits	-6.6%	1.3%

Item 3 – File 03-1874

Department: Department of Human Resources (DHR)
Fire Department

Item: Ordinance adopting and implementing the Memorandum of Understanding between the Municipal Executives Association (Fire), and the City and County of San Francisco for the two-year period retroactive from July 1, 2003 through June 30, 2005.

Description: The proposed ordinance would adopt and implement a Memorandum of Understanding (MOU) between the City and the Municipal Executives Association (MEA) members of the Fire Department. The positions covered by the proposed MOU and the FY 2003-2004 budgeted salaries for such positions are shown in the table below.

		Fiscal Year 2003-2004		
Class	**Title**	**Salary (Flat Rate)**	**Number of Positions**	**Total Budgeted Salaries**
0140	Chief of Department	$199,824	1.0	$199,824
0150	Deputy Chief of Department	168,111	2.0	336,222
H 51	Assistant Deputy Chief II	143,542	4.0	574,168
H 53	Chief, Emergency Medical Services	143,542	1.0	143,542
	Total		8.0	$1,253,756

The major changes between the prior MOU and the proposed MOU are summarized below:

Wages and Retirement Contributions

No wage increases are to be granted for the two year term of the proposed MOU. In addition, the eight covered employees shall pay the employee's share of retirement contributions for both fiscal years of this MOU (7.5 percent of salaries). However, according to the proposed MOU, "to address the uncertainty of the impact of the State of California's budget and the local economic recovery on the City's budget", either party may reopen the agreement to discuss adjustments to wages only.

There shall be no reopener on the issue of the employee's share of the retirement contributions.

Floating Holidays

Presently, the eight covered employees under the proposed MOU are granted a total of 13 holidays, including three floating holidays. In consideration of their agreement to resume payment of the employee's share of the retirement contributions, the eight covered employees will receive an additional five (5) paid floating holidays each fiscal year for the duration of this Agreement .

In addition, in conformity with the approved MOU for Local 798 Firefighters, and other bargaining unit agreements, the eight covered employees shall be granted one additional floating holiday (increasing the number of regular floating holidays from three to four) per fiscal year, effective July 1, 2003. Therefore, the total number of holidays for the eight covered employees will increase by six, from 13 to 19.

Holiday Pay

Currently, all of the eight subject Fire Department employees who are members of the MEA are non-suppression personnel and work five eight-hour shifts per week instead of two 24 hour shifts per week, as worked by members assigned to Fire Suppression However, the proposed MOU states that, at the discretion of the Chief of the Fire Department, the four H51 Assistant Deputy Chief II positions and the one H53 Chief, Emergency Medical Services position, may be assigned to Fire Suppression duties. These five covered employees would receive an additional one percent (1%) holiday premium pay for the time they are assigned to Fire Suppression duties, in conformity with the approved MOU for Local 798 Firefighters.

Merit Pay

Presently, all eight covered employees are eligible for Merit Pay ranging from zero to five percent of their base salary. In fiscal year 2003-2004, merit pay would be reduced from zero to three percent of the employee's base

annual salary. Beginning in FY 2004-2005, the eight covered employees will receive no merit pay.

Merit Pay Conversion

In lieu of continuing merit pay-based annual adjustments, the eight covered employees would receive an adjustment to base wages in the amount of 1.5% on January 1, 2004 and 0.5% on July 1, 2004.

Terrorism Response Training Pay

The eight covered employees would receive one percent (1%) Terrorism Response Training Pay, for mandated specialized training in dealing with emergencies involving terrorism and bio-terrorism, for FY 2004-2005.

Comments: As shown in the Controllers' Attachment, the Controller's Office estimates that the cumulative savings of implementing the proposed MOU would be $$203,892 over the two year period of this proposed MOU, including a savings of $109,569 in FY 2003-2004 and a savings of $94,323 in FY 2004-2005.

Recommendation: Approve the proposed ordinance.

Attachment
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CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ed Harrington
Controller

Monique Zmuda
Deputy Controller

December 5, 2003

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 03-1874
Amendment to Memorandum of Understanding (MOU) with Municipal Executives' Association - Fire

Dear Ms. Young,

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the Municipal Executives Association (MEA) - Fire. The amendment covers the period July 1, 2003 through June 30, 2005, and affects 8 authorized positions with a salary base of approximately $1.2 million and a total pay and benefits base of approximately $1.4 million.

Based on our analysis, the MOU will result in a net cost decrease of approximately $110,000 in FY 2003-2004, a savings of approximately 6.8% below the FY 2002-2003 overall pay and benefits base. The amendment includes a provision for employees to pay the full employee contribution to the retirement system which had previously been paid by the City for both years of the agreement. For FY 2003-2004, this amount, equal to 7.5% of pensionable salary, will result in the savings of approximately $101,000. The MOU provides for an additional five paid floating holidays in FY 2003-2004 and FY 2004-2005, as well as an additional permanent paid floating holiday effective July 1, 2004 for non-suppression personnel. This provision may result in lost productivity and in some costs for those employees who are replaced on overtime however we have not estimated a cost for this provision at this time. Suppression personnel will receive an increase in the holiday premium from 6% to 7% of base wages, resulting in minimal costs.

The amendment also changes merit pay provisions. In FY 2003-2004, the maximum merit pay amount an employee may be awarded for performance in FY 2002-2003 will go from 5% to 3%. Thereafter, merit payments will be discontinued. Instead, employees will receive base wage increases of 1.5% on January 1, 2004 and 0.5% on July 1, 2004. These provisions will result in an estimated $6,000 of savings during the MOU term. A new 1% terrorism response training pay, effective July 1, 2004, will increase costs by approximately $14,000 in FY 2004-2005.

In FY 2004-2005, the MOU provides that either party may reopen the contract on the issues of wages. As a result of these provisions, the costs or savings shown for the second year of the contract may change. Please see Attachment A for specific estimates.

The cost of continuing existing dependent health and dental benefits provided under the MOU will increase by $2,700 in FY 2003-2004 and $6,700 in FY 2004-2005.

If you have additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Municipal Executive's Association - Fire
Estimated Costs/(Savings) FY 2003-2004 and FY 2004-2005
Controller's Office

Annual Costs/(Savings)	FY 2003-2004	FY 2004-2005
Premiums and Benefits		
Eliminate City contribution of 7.5% retirement in FY 2003-2004 and FY 2004-2005	($101,459)	($1,015)
1% terrorism response training pay	$0	$13,876
Net effect of changes to merit pay provisions	($8,064)	$2,299
Wage-Related Fringe Increases/(Decreases)	($45)	$85
Total Estimated Incremental Costs/(Savings)	($109,569)	$15,246
Annual Amount Above/(Below) 2002-2003	($109,569)	($94,323)
Cumulative Total Above/(Below) 2002-2003 Provisions		($203,892)
Incremental Cost % of 2002-2003 Total Pay & Benefits	-6.8%	0.9%

Item 4 – File 03-1965

Department:	Department of Human Resources (DHR) Fire Department
Item:	Ordinance adopting and implementing the Memorandum of Understanding between the Service Employees International Union, AFL-CIO, Local 790, and the City and County of San Francisco for the H-1 Fire Rescue Paramedics, to be effective for the two-year period retroactive from July 1, 2003 through June 30, 2005.
Description:	The proposed ordinance would adopt and implement a Memorandum of Understanding (MOU) between the City and the Service Employees International Union (SEIU), AFL-CIO, Local 790. The proposed MOU is for a two-year period from July 1, 2003 through June 30, 2005. The prior MOU expired on June 30, 2003. This MOU covers one classification, H-1 Fire Rescue Paramedics, employed by the Fire Department. According to Ms. Jesusa Bushong of the Fire Department, in FY 2003-2004 this classification comprises a total of 24 budgeted positions, of which 21 are currently filled.

The major changes between the prior MOU and the proposed MOU are summarized below:

Wage and Retirement Contributions

The proposed MOU would not increase base wage rates and would require Classification H-1 Fire Rescue Paramedics to pay the employee's share of retirement contributions in an amount equal to 7.5 percent of their gross salaries in FY 2003-2004 instead of having the City "pick up" the employee's share as has been done since February of 1998. In FY 2004-2005, the City would resume full "pick-up" of the employee's share of Classification H-1 Fire Rescue Paramedics' retirement contributions to the City. The proposed MOU would provide for the reopening of wage negotiations for the second year of this agreement, FY 2004-2005, "to discuss wages and/or retirement contributions which reflect the local economy and the City's budget."

Classification changes

According to the proposed MOU, any employee in Classification 2532 Paramedic, upon being appointed to the Classification H-1 Fire Rescue Paramedic rank, would be credited with all accumulated hours of sick leave and accrued vacation time. Ms. Bushong reports that in FY 2003-2004 there are no budgeted Classification 2532 Paramedic positions. However, Ms. Bushong advises that there is one Fire Department employee holding that classification who is currently on disability pay. That employee has expressed interest in being reclassified as an H-1 Fire Rescue Paramedic, but Ms. Bushong advises that the Fire Department cannot process that employee's request until she is medically cleared to return to duty.

Floating Holidays

Under the prior MOU, full-time Classification H-1 Fire Rescue Paramedics received three floating holidays (24 hours). Under the proposed MOU, Classification H-1 Fire Rescue Paramedics would receive one additional floating holiday per fiscal year (an additional eight hours) for a total of four floating holidays. Further, in FY 2003-2004, employees would receive a one-time additional five paid floating holidays (40 hours) in recognition of their agreement to resume payment of the employee's share of the retirement contributions. Whereas under the prior MOU, employees were not compensated for those floating holidays which they did not take off in FY 2002-2003, under the proposed MOU, floating holidays which are not taken off may be carried forward from one fiscal year to the next with the Fire Chief's approval which should not be unreasonably denied.

Terrorism Response Training Pay

Effective July 1, 2004, under the proposed MOU, Classification H-1 Fire Rescue Paramedics would receive a 1 percent adjustment to their regular rate of pay in recognition of mandated, specialized training dealing with emergencies involving terrorism and bio-terrorism. This new "Terrorism Response Training Pay" would be considered part of a Classification H-1 Fire Rescue

Paramedic's regular rate of pay for the purpose of computing overtime pay and retirement contributions and benefits. Classification H-1 Fire Rescue Paramedics on disability would also receive Terrorism Response Training Pay. According to Ms. Christine Ragan of the Fire Department, the Fire Department anticipates that the Terrorism Response Training Pay will be funded 100 percent by Federal Homeland Security Grant monies. If such Federal grant monies are not available, then Ms. Ragan states that the Fire Department would request the necessary funding from the Mayor and the Board of Supervisors.

Retention Pay

According to the proposed MOU, there is a new provision whereby Fire Department employees with 25 or more years of service, as a Classification 2532 Paramedic and/or a Classification H-1 Fire Rescue Paramedic, would receive a 2 percent adjustment to their regular rate of pay. This new "Retention Pay" would be considered part of a Classification H-1 Fire Rescue Paramedic's regular rate of pay for the purposes of computing overtime pay and retirement benefit contributions and benefits. Ms. Bushong advises that there is currently only one Classification H-1 Fire Rescue Paramedic who has 25 years of service and who therefore qualifies for the new Retention Pay.

Sick Leave Pay

Under the proposed MOU, the Fire Department would continue the "wellness incentive program" referenced in the existing MOU as an incentive to decrease the use of sick leave. Under that program, any full-time employee retiring from the Fire Department may receive a cash payment for unused sick leave, based on the employee's salary rate and years of service. Under both the existing and the proposed MOUs, covered employees can receive 2.5 percent of accrued sick leave credits times the number of continuous full years of service times the employee's salary rate upon retirement.

Grievance Procedures

If a grievance is submitted to the DHR Director, Employee Relations for resolution, but the Director, Employee Relations is unable to resolve the grievance to the mutual satisfaction of the parties within 15 calendar days, then under the proposed MOU either the Fire Department or SEIU, Local 790 may request that the grievance be submitted to arbitration within 30 days after receipt of the decision of the Director, Employee Relations. Under the existing MOU, there is no deadline by which the Fire Department or SEIU, Local 790 has to request that a grievance be submitted to arbitration.

Comments:

1. The H-1 Fire Rescue Paramedic classification is an interim classification established as part of the 1997 merger between the Fire Department and the Paramedic Division of the Department of Public Health which the City has agreed to continue until there are no further Classification H-1 Fire Rescue Paramedic employees. Most of the H-1 Fire Rescue Paramedics appointed in 1997 have since been cross-trained to become H-3 Fire Fighter Paramedics.

2. As shown in the Controllers' Attachment, the Controller's Office estimates that the cumulative savings of implementing the proposed MOU would be $98,388 over the two year period of this proposed MOU, including a savings of $121,233 in FY 2003-2004 and a cost of $22,844 in FY 2004-2005.

Recommendation: Approve the proposed ordinance.

Harvey M. Rose

cc: Supervisor Daly
Supervisor Maxwell
Supervisor Peskin
Clerk of the Board
Controller
Ben Rosenfield
Ted Lakey

CITY AND COUNTY OF SAN FRANCISCO
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Deputy Controller

December 5, 2003

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File Number 03-1965
Amendment to Memorandum of Understanding (MOU) with SEIU Local 790 H-1 Fire Rescue Paramedics

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the MOU between the City and County of San Francisco and the Fire Rescue Paramedics represented by SEIU Local 790. The amendment covers the period July 1, 2003 through June 30, 2005, and affects 24 authorized positions with a salary base of approximately $1.6 million and a total pay and benefits base of approximately $2.0 million.

Based on our analysis, the MOU will result in a net cost decrease of approximately $121,000 in FY 2003-2004, a savings of approximately 8.0% below the FY 2002-2003 overall pay and benefits base. The amendment provides that employees will pay the full employee contribution to the retirement system that had previously been paid by the City. For FY 2003-2004, this amount, equal to 7.5% of pensionable salary, will result in savings of approximately $123,000. The savings in the first year equals 8% of the FY 2002-2003 base because approximately eight class 2532 paramedic positions were converted to H-1 positions, making the pay and benefits base for this group for FY 2003-2004 larger. The MOU provides for an additional five paid floating holidays in FY 2003-2004, as well as an additional permanent paid floating holiday effective July 1, 2003. This provision may result in lost productivity, and in some costs for those employees who are replaced on overtime however we have not estimated a cost for this provision at this time.

Effective July 1, 2003, a 2% retention premium will be paid to employees with 25 or more years of service, resulting in approximately $1,400 in new costs. A new 1% terrorism response training pay, effective July 1, 2004, will increase costs by approximately $20,000 in FY 2004-2005.

In FY 2004-2005, the MOU provides that the City will resume payment of the employee contribution to retirement, and that either party may reopen the contract on the issues of wages and retirement contributions. As a result of these provisions, the costs or savings shown for the second year of the contract may change. Please see Attachment A for specific estimates.

415-554-7500 City Hall • 1 Dr. Carlton B. Goodlett Place • Room 316 • San Francisco CA 94102-4694 FAX 415-554-7466

The cost of continuing existing dependent health and dental benefits provided under the MOU will increase by approximately $4,200 in FY 2003-2004 and $9,600 in FY 2004-2005.

If you have additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
SEIU Local 790 H-1 Fire Rescue Paramedics
Estimated Costs/(Savings) FY 2003-2004 and FY 2004-2005
Controller's Office

Annual Costs/(Savings)	FY 2003-2004	FY 2004-2005
Premiums and Benefits		
Eliminate City contribution of 7.5% retirement in FY 2003-2004	($122,606)	$123,832
1% terrorism response training pay	$0	$20,177
2% retention pay for employees with 25 or more years of service	$1,373	$14
Wage-Related Fringe Increases/(Decreases)	$0	$54
Total Estimated Incremental Costs/(Savings)	($121,233)	$144,077
Annual Amount Above/(Below) 2002-2003	($121,233)	$22,844
Cumulative Total Above/(Below) 2002-2003 Provisions		($98,388)
Incremental Cost % of 2002-2003 Total Pay & Benefits	-8.0%	9.5%

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